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Benefits Bulletin:

The New Tax Break for (Some) Seniors

By John I. Adams, Chairman, TSCL

If 2025 can be described as anything when it comes to seniors, Social Security, and Medicare, it might be called newsworthy. We had [DOGE](#), Medicare Part B premiums once again [rose faster than inflation](#), and Social Security [stopped mailing paper checks](#) to beneficiaries—not to mention a [dissatisfying COLA](#) of 2.8 percent. However, the passing of a new measure in the [One Big Beautiful Bill Act](#) (OBBBA) that will reduce taxes on Social Security benefits for some seniors was a positive development for those eligible for the tax break, which is available from the 2025 to 2028 tax years.

How Much is the OBBBA Tax Break for Seniors?

The OBBBA created a \$6,000 [tax break](#) for individuals (or \$12,000 for couples) over the age of 65. This works as an automatic additional deduction that goes on top of the standard deduction or itemized deduction you already take, as well as the [additional exemption](#) of \$2,000 for single filers and an additional \$1,600 for couples.

Who Benefits From the Tax Break?

With the OBBBA's tax break in place, seniors who are individual tax filers will start paying federal income taxes once they make more than \$23,625. For couples, that figure is \$31,500. The tax break starts phasing out for individuals who earn \$75,000 or more per year (and for couples who earn more than \$150,000), reaching zero for individuals who earn at least \$175,000 (and for couples who earn at least \$250,000).

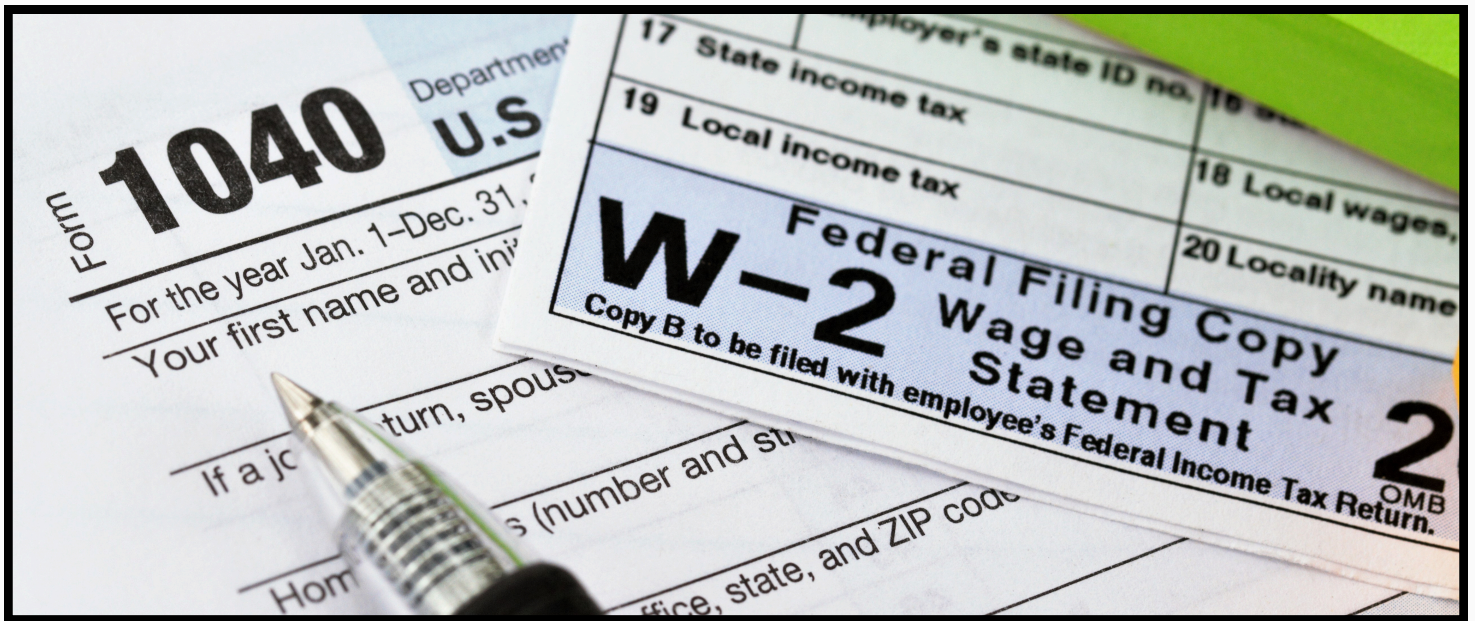
In short, it's middle-income seniors who benefit the most, those who earn enough to pay taxes but less than the phase-out threshold. Low-income seniors will not see a change, and that's a big piece of the pie. Our [research](#) estimates that the median senior gets by on less than \$2,000 a month, which wouldn't be enough to qualify.



How Do I Make Sure I Get This Tax Break if I'm Eligible?

The deduction should automatically be included when you file your taxes. Tax preparing software such as TurboTax, will automatically check if you qualify and add

it to your return. Professional tax preparers, such as H&R Block, should also automatically add the tax break as well, but in both cases, it might be a good idea to read your final return before you send it to confirm the senior tax break is included.



How Do You Make Ends Meet?

We want to hear from you! Tell The Advisor about the creative ways you've cut costs—whether by reducing monthly expenses or saving on big-ticket purchases.

To share your tricks to getting by in today's challenging economy, email us at ShareYourStory@TSCLhq.org.

COLA Watch

What will your benefits look like next year?

Average Social Security Benefit:

as of January 2026

\$1,926



All Beneficiaries

\$2,075



Retired Workers

The 2027 COLA will be announced in **7 Months**

2.8%



2026 COLA

2.8%



Predicted 2027 COLA

A better inflation measure

would give you a better COLA.

2.3%



CPI-W Avg.
(Current Method)
Dec-Feb 2026

2.7%



CPI-E Avg.
(TSCL Preferred)
Dec-Feb 2026

Take a deep dive [here](#).

Medicare Selects Drugs for Third Round of Price Negotiations

By Alex Moore

In January, the Centers for Medicare and Medicaid Services (CMS) [announced](#) the next 15 drugs whose prices it will negotiate directly with pharmaceutical companies, a power it gained from the 2022 Inflation Reduction Act. This is the third round of the annual price negotiations (you can find links to our articles on the first and second rounds [here](#) and [here](#)). Previous agreements between CMS and pharmaceutical companies have resulted in Medicare (and its beneficiaries) paying less for 25 different medicines, including popular weight-loss drugs like Ozempic.

Other drugs that have completed the negotiation process include medicines for diabetes, heart disease, arthritis, and cancer.

What drugs are on the table for this year's negotiations?

Medicare selects drugs for price negotiation based on price and popularity. The more a drug costs the program, the higher priority it has for getting a deal done. This year's list includes high-impact medicines that treat Type 2 Diabetes, HIV, several kinds of cancer, plaque psoriasis, and more. You can see the full list in the table on page 6.

When will the new prices take effect?

When CMS negotiates new prices for a drug, they take effect on January 1st in two

calendar years. So, the drug prices CMS negotiated in 2024 just took effect in January 2026, while the prices it negotiated in 2025 will take effect in January 2027. The prices from this round of negotiations will become official in January 2028.

How Much Do Seniors Save From CMS Price Negotiations?

In 2024, CMS [expected seniors to save](#) about \$1.5 billion in out-of-pocket costs for the 10 drugs whose price it negotiated. In 2025, it [was expected that seniors would save](#) \$685 million in out-of-pocket costs.

The agency has yet to publish seniors' expected out-of-pocket savings for this third round, but we should expect hundreds of millions of dollars in impact from the current round of negotiations based on past results.

How Will CMS Maintain the New Prices Over Time?

Any drug whose price is set via CMS negotiating with pharmaceutical companies has its price tied to inflation. More specifically, CMS [increases the prices](#) each year based on the Consumer Price Index for All Urban Consumers (CPI-U), an index similar to the one used to calculate the Social Security Cost-of-Living Adjustment (COLA), called the CPI-W. The CPI-U tends to come in [slightly above](#) the CPI-W, but not by much, meaning the new prices will stay at least relatively in line with Social Security benefit increases.

Drug Name	Treats
Trulicity	Type 2 diabetes, type 2 diabetes with cardiovascular disease or multiple cardiovascular risk factors
Biktarvy	Human immunodeficiency virus (HIV) type 1 infection
Orencia	Psoriatic arthritis and rheumatoid arthritis
Cosentyx	Plaque psoriasis and psoriatic arthritis
Erleada	Prostate cancer
Kisqali	Breast cancer
Entyvio	Chron's disease and ulcerative colitis
Verzenio	Breast cancer
Botox and Botox Cosmetic	Chronic migraines, overactive bladders, spasticity, and other movement disorders
Lenvima	Thyroid cancer, endometrial cancer, liver cancer, and kidney cancer
Xolair	Asthma and chronic spontaneous urticaria
Rexulti	Major depressive disorder, schizophrenia, agitation associated with dementia due to Alzheimer's disease
Xeljanz and Xeljanz XR	Psoriatic arthritis, rheumatoid arthritis, and ulcerative colitis
Anoro Ellipta	Chronic obstructive pulmonary disease
Cimzia	Chron's disease, plaque psoriasis, psoriatic arthritis, and rheumatoid arthritis

Open Enrollment 2026 Ends

By Susan Stewart, Licensed Insurance Agent

The Open Enrollment Period (OEP) runs from January 1st to March 31st. The purpose is to provide a one-time chance to change your Medicare Advantage plan without precise special circumstances. This way, beneficiaries unhappy with the plan they chose during the Annual Enrollment Period (AEP) from October 15th to December 7th of last year, can pick a new one. It also provides an opportunity to reconsider a long-standing Advantage plan. Doctors and facilities can leave your network. Sometimes there were misunderstandings about benefits. That happens easily when you have multiple discussions with multiple agents. There are several very good reasons a plan change is a good idea. OEP is meant to get folks where they need to be for the year.

I believe change continues to come with Medicare. Both Medicare and the carriers of Advantage plans want to see less plan changing. Let's say I changed your plan in February. That change passes through many hands before it reaches Medicare. They review and approve the change. It goes back to the carrier to issue documents and cards. Healthcare providers have their records to update and determine network, billing, and benefits. When a person can change their plan as often as monthly or every 3 months, keeping up becomes a source of chaos for carriers, healthcare providers, and beneficiaries alike. It's extra work and costs from all angles.

Medicare is trying to discourage multiple plan changes. Healthcare is at its best when a beneficiary understands their plan, and it meets their needs. I often speak with beneficiaries who have no idea what their plan is or what its benefits are. That's not conducive to confident healthcare.



I'm not suggesting you stay in a plan that isn't right for you. Just the opposite. But if you count on an agent, doctor's office, or hospital to do this for you, you'll likely be disappointed. I advise you not take as gospel the advice of your neighbor, the pharmacist, or even your doctor about your plan. The job of a good agent is to look at ALL the plan benefits that matter to you. What works for your neighbor and what they are eligible for may be completely different from what you need or are eligible for. Your pharmacist knows about drugs, but not your hospital network/copay, or if the specialist that's so important is in network. Your doctor may know which plans pay them the best or the fastest but may not be aware of the other benefits you're getting. Do you have a good agent? Keep that number! If you don't, find one.

If you haven't used your 2026 plan yet, check with your doctors and facilities to confirm their networks now. Read your benefits. Ask if you have questions. You need to understand your plan. Be proactive in speaking to your doctor about drugs that aren't in formulary or require pre-authorization. Be proactive with your doctor if your plan requires proof of a chronic health condition. Don't wait until something goes wrong to pay attention. Be accountable for your own health and healthcare plan by being ready for OEP to close.



Government Admits DOGE Mishandled Social Security Data

By Alex Moore

Last year, the Social Security Administration's (SSA's) Chief Data Officer (CDO) [resigned](#) after filing a whistleblower complaint alleging that employees from DOGE, [the now-defunct](#) Department of Government Efficiency, had uploaded data on more than 300 million beneficiaries to an unsecure cloud account. The agency's internal response was unclear at the time, but now the SSA has [come forward](#) with the news that DOGE employees did, in fact, share Social Security data they should not have.

What Data Did the Employees Actually Share?

According to [court documents](#), last March, members of DOGE's team embedded at the SSA shared data through the third-party server Cloudflare, which is not approved for storing SSA data and outside the agency's security protocols. So far, SSA has not been able to determine exactly what data the employees uploaded or whether the data still exists on the server since Cloudflare is a third-party system.

However, that's not the only concerning action. Also, last March, a DOGE-affiliated employee at the SSA sent an encrypted and password-protected file to a senior advisor at DOGE's central office, plus a DOGE-affiliated employee at the Department of Homeland Security (DHS).



Although SSA has yet to access the file to see exactly what it contained, the agency believes the file contained personal identifying information (PII) taken from Social Security's internal systems for more than 1,000 people based on the text of the email.

What's more, a DOGE staffer made an agreement to analyze Social Security data for an outside advocacy group in his capacity as a government employee. When contacted by a political advocacy group seeking to analyze voter rolls and find evidence of voter fraud to overturn election results in certain states, the employee signed a Voter Data Agreement that was not reviewed by the agency's data exchange procedures.

The Department of Justice has issued Hatch Act referrals for both contacted employees. The Hatch Act [prohibits](#) federal employees from engaging in partisan political activities while on the job.

Should Senior Citizens Be Concerned?

In a word, yes. We still don't know exactly what data was shared, and in some cases, with whom. At TSCL, we call for the SSA to prioritize its investigation into this matter, to recover the data, and ensure all mishandled files are deleted or erased from external devices and servers.

Until this happens, there's a very real risk that someone who shouldn't have access to sensitive Social Security data will. We all know the risks of having your data compromised, so SSA and DOJ should prosecute anyone who doesn't take that data's care seriously to the fullest extent of the law possible.



Who is Arjun Mody, SSA's New Deputy Commissioner?

By Alex Moore

On January 19th, Arjun Mody became the [new Deputy Commissioner](#) for Social Security, for a term that runs through the same date in 2031. He was confirmed by the Senate on December 19th.

In his new role, Mody will serve as the Social Security Administration's (SSA's) Chief Operating Officer. That means he will be responsible for the agency's day-to-day business, such as its human resources and finance functions. He would also serve as Acting Commissioner if current Commissioner Frank Bisignano, left the role or could not perform it due to health reasons, until or unless the President appointed a replacement.

So, if Mody is going to have so much influence over how the agency responsible for Social Security, who exactly is he?

An Indian American, Mody said in his [Senate confirmation hearing](#) that his father, who had immigrated to the U.S. with just \$8 in his pocket, served veterans at VA medical centers. Mody [himself started his career](#) in public service, too, serving as a Presidential Management Fellow at the White House Office of National Drug Control Policy after an education that included a law degree from Arizona State. He then worked as an aide to Senators Elizabeth Dole, Kay Bailey Hutchison, and John Barrasso. He later joined S-3 Group, a government relations and public affairs consultancy, [as a principal](#) in 2017.

He then [returned to the Senate](#) in 2018 as staff director for the Senate Republican Conference under Senator John Barrasso. He served there until joining President Trump's transition team after the 2024 election.

In his confirmation hearing, Mody expressed a commitment to "preserve and protect the promise [of Social Security] for every eligible American." He also acknowledged the challenges of managing the agency's massive scope, describing it as "the largest in our government."

