TSCL—Defending Your Earned Benefits For 23 Years

THE SENIOR CITIZENS LEAGUE
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THE SOCIAL SECURITY & MEDICARE
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Will the Next COLA Finally Raise Your Social Security Benefit?

It's a situation that many retirees haven't seen since 2012. A noticeable boost to net Social Security benefits is expected for 2019. While the annual cost of living adjustment (COLA) won't be announced until October 11th, recent CPI data indicates that next year's Social Security COLA will be about 3.3%. What's more, Medicare Trustees have estimated that monthly Part B premiums will only grow about $1.50.

This will be the first such increase in nearly a decade of little to no Cost-of-Living Adjustments (COLAs). Since 2010, the annual COLA has averaged just 1.2% per year. A 3.3% COLA would raise the average Social Security benefit of $1,300 by $42.90 per month. That would be an increase the size of which many retirees have never seen.

COLAs in recent years have been at unprecedented lows. Consider 1981 and 1982 when the highest COLAs in Social Security's history were paid, 14.3% and 11.2% respectively. However, that period had such unexpectedly high inflation that it almost bankrupted Social Security, and triggered the largest major reform of the program in history.

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Denials of Coverage Highest For Medicare Advantage Plans

Narrow provider networks of private Medicare Advantage managed care plans can result in denials of coverage and surprise bills when care is obtained from out-of-network doctors and other healthcare providers. A recent analysis of the 16,758 questions from the public received by the Medicare Rights Center's National Helpline in 2016 found that,

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What's at Stake for Social Security Benefits In the Upcoming Election?

Mary Johnson, editor

Voters are worried about the impact that midterm elections could have on Social Security benefits. The U.S. Congressional Budget Office estimates that recent tax reform will add $1.8 trillion to the federal deficit over the next 10 years. To make matters worse, the Social Security trustees recently reported program financing has eroded, and estimated that the trust funds will run short by 2034, due to lower-than-expected revenue from tax law changes.

Speaker of the House Paul Ryan announced earlier this year that he wants to overhaul entitlement spending. TSCL is concerned that, after the elections, Congress could address rising deficits by moving legislation that would cut Social Security benefits.

The most widely-discussed proposals to revamp Social Security include raising the eligibility age, making the benefit formula less generous, and reducing the Social Security Cost-of-Living Adjustments (COLAs). Reducing COLAs would impact the lifetime Social Security benefits of all current beneficiaries, as well as affecting future retirees. Under discussion is a

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Waiting Periods Can Bankrupt Disabled Beneficiaries

Arthur "Coop" Cooper, Chairman, TSCL

More than 920,000 Americans await hearings that will determine their eligibility for Social Security disability insurance benefits (SSDI). The process is a long one, taking on average about 20 months—longer than some applicants may live. Unlike Supplemental Security Income (SSI), which is a low-income disability program, SSDI is an "earned benefit" paid for by payroll tax deductions from wages. After months waiting for a determination of eligibility for SSDI benefits, there's also a mandatory 5-month waiting period before the first benefits are paid. An individual who is eligible for Social Security disability has to wait even longer—two years—before Medicare benefits start.

These waiting periods are perhaps the most difficult for middle income disabled workers—those of modest means and savings, but whose incomes are too high to qualify for temporary SSI and Medicaid benefits during the waiting periods. Because disabled individuals frequently lose employer-covered health insurance when they are forced to stop work, middle to higher income individuals must pay all of their healthcare costs out of pocket, which can be bankrupting.

Recently Rebecca W. wrote that she filed for SSDI in 2009 at age 52, after her doctor refused to allow her to go back to work. At that time, 401(k) investments were tanking and, after penalties for early withdrawals, the $10,000 in her retirement account was worth just $3,000. While she was so severely disabled that she was found eligible for SSDI benefits after just 6 months, Rebecca still had a two-year wait for Medicare.

"This wiped out my CDs and money market account," said Rebecca. Big expenses for dental problems forced her into credit card debt. Rebecca's health problems required oxygen tanks, blood transfusions, sleep clinics and sleep apnea machines, diabetic tools, lymphatic pressurized machines for wound care, and lab work, all of which she had to pay for out-of-pocket. "By the time I was finally able to start Medicare, I was broke," she said. "Then came the big stuff, cancer surgery and open heart surgery. I lost my house and had to file for bankruptcy. If the cancer returns, I will die because Medicare tells me my co-pay for each treatment is $1,000. I barely have that to live on," she wrote.

Are the SSDI and Medicare waiting periods still fair and necessary? It is hard to fathom that in 1954 when the SSDI waiting period was written into law, lawmakers would have foreseen a determination process for SSDI benefits that would take an average of 20 months, with backlogs of almost one million people. Medicare did not even exist until 1965. What do you think? Please take our online poll and tell us whether these waiting periods should be kept as is, or eliminated. Visit us at www.SeniorsLeague.org. ■

ASK THE ADVISOR

How Can We Cope with Debt in Retirement?

Q: My husband survived cancer but his healthcare costs depleted our savings. Do you have suggestions for coping with debt in retirement?

A: Debt among older Americans is rising and affecting a growing number of retirees. According to the Survey of Consumer Finances, the percentage of households with debt headed by an adult age 65 and older increased from 41.5% in 1992, to 60% in 2016. Medical debt poses the biggest challenge over the course of a retirement.

According to the National Council on Aging, 34% of older households hold credit card balances, and another 29% still owe

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Legislative Update

Jessie Gibbons, Senior Policy Analyst

Better Preventive Dental, Vision, Hearing Care Could Save Money for Medicare

By Jessie Gibbons, Senior Policy Analyst

Millions of older Americans are afflicted with age-related hearing loss, low vision, and poor oral health. Yet, under current law, Medicare is prohibited from covering most hearing, vision, and dental services. The Senior Citizens League has heard from countless retirees living on fixed incomes who cannot afford to pay out-of-pocket for costly care and assistive technologies like eyeglasses or hearing aids.

When left untreated, these conditions often cause serious health complications and injuries. But when treated successfully, the result is improved overall health and lower costs for Medicare and patients. For example, Mary J. who lives near Charlottesville, Virginia recently told us she suffered for years with severe chronic pulmonary and gastric infections. After periodontitis was discovered and treated with oral surgery last year, her chronic cough and inflammatory symptoms cleared up completely. Since then, Mary has successfully gone without inhalers and frequent visits to her primary care physician, gastroenterologist, and pulmonologist, saving Medicare thousands of dollars.

The Senior Citizens League believes it is essential for older Americans to receive the primary and preventive care that is needed to ensure good health in retirement. In a recent poll conducted by The Senior Citizens League, 79% of respondents said they would like to see Medicare coverage expanded to include hearing, vision, and dental services. Only 9% said Medicare coverage should remain unchanged, while 14% said they would like to see private Medicare Advantage plans—which sometimes cover more of these services—better promoted.

Based on the result of this poll, The Senior Citizens League has endorsed legislation called the *Seniors Have Eyes, Ears, and Teeth Act* (H.R. 508), a bill introduced by Representative Lucille Roybal-Allard (CA-40) and 131 cosponsors in the House of Representatives. If adopted, H.R. 508 would expand Medicare coverage to include essential hearing, vision, and dental services.

In a letter of support to Representative Roybal-Allard, Art Cooper—Chairman of The Senior Citizens League's Board of Trustees—wrote: "Our supporters nationwide question why the Medicare program has not yet been expanded to include coverage of essential hearing, vision, and dental services, which many employers provide during working years. As such, The Senior Citizens League lends its enthusiastic support to the *Seniors Have Eyes, Ears, and Teeth Act,* a bill that we believe would go a long way in ensuring the retirement security seniors have earned and deserve."

In the months ahead, The Senior Citizens League will continue to advocate tirelessly for the bipartisan *Seniors Have Eyes, Ears, and Teeth Act,* and we hope to see it signed into law before the 115th Congress comes to a close at the end of this year. In the meantime, we encourage our supporters to contact their elected officials to request their support for H.R. 508. For contact information, visit our website at www.SeniorsLeague.org. There, you can also share your story with The Senior Citizens League and tell us how you would benefit from the passage of the *Seniors Have Eyes, Ears, and Teeth Act.* ■

***The Social Security & Medicare Advisor* © 2018** 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, 500 Montgomery Street, Suite 400, Alexandria, VA 22314. TSCL website: www.SeniorsLeague.org. Editor: Mary Johnson.

CONGRESSIONAL CORNER

Protecting and Expanding the Retirement Security You've Earned

Senator Sherrod Brown (OH)

Senator Sherrod Brown (OH)

Medicare and Social Security are bedrocks of the American Dream, guaranteeing a secure retirement that Americans earn over a lifetime of hard work.

In the Senate, I'm working to update and strengthen these lifelines for generations to come. Last year, I introduced the bipartisan Social Security Fairness Act to ensure the federal government keeps its end of the bargain and pays all Americans' Social Security benefits in full. Right now, too many public servants and their families receive reduced benefits.

These workers have taught our children and kept our communities safe, and it's up to us to make sure police, firefighters and teachers can retire with their full Social Security benefits. This small fix will help these workers and their families have the peace of mind that their Social Security benefits will be there for them when they retire from a life dedicated to serving our communities. And I'm also working to expand Social Security for all workers, whether they worked as public servants or in the private sector.

While we work to protect and strengthen Social Security, we also have to protect the private pensions that Americans earned through decades of work. Right now, more than a million Americans in multiemployer pensions plans are at risk of massive cuts to their retirements. I refuse to let that happen—that's why I'm co-chairing Congress's special, bipartisan committee tasked with solving this crisis by the end of the year.

We also have opportunities to make Medicare work even better. I led efforts to remove Social Security numbers from seniors' Medicare cards, to help protect Americans from fraud and identity theft. Beginning this year and into next year, Medicare will issue new cards to all seniors without Social Security numbers—some seniors have already received their new cards in the mail, and all Medicare recipients should have their new cards by next April.

We also know that many seniors on Medicare are still left with out-of-pocket costs they can't afford, and the confusing Medicare enrollment process can make these problems worse.

Last year I worked with my colleagues to introduce the Medicare Affordability and Enrollment Act. It would cap out-of-pocket expenses for traditional Medicare, and help more seniors who have trouble affording their premiums. The bill would also make the enrollment process easier, begin coverage earlier, and reduce arbitrary, expensive late enrollment fees that can hit seniors with additional costs for the rest of their lives.

We also need to bring down the cost of prescription drugs for seniors. For years I have fought to give the Medicare the authority to negotiate lower drug prices for seniors. This would not only lower drug costs for seniors, but would also save taxpayers billions and help lead to lower drug prices in the private insurance market.

These are the sorts of commonsense solutions we need to improve and strengthen the programs that are the bedrock of a secure retirement. ■

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

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. ■

BEST WAYS TO SAVE

Four Ways to Pay for Dental Care

About one-out-of-four older Americans say that cost is a higher barrier to getting dental care than for any other type of medical service. Sixty-four percent of working age Americans have dental insurance benefits where they work, but when people age 65 and over start Medicare, they are forced to give up their employers' dental insurance. Yet Medicare doesn't cover dental benefits, a fact that many new retirees aren't aware of and haven't planned for.

People who lack dental insurance are far less likely to see a dentist for regular cleanings and preventive exams, and to forgo treatment for pain and gum disease. They also suffer worse overall health. Gum disease has been linked to a wide range of inflammatory conditions that include sleep apnea, diabetes, pulmonary disease, heart problems and stroke.

According to the Center for Retirement Research at Boston College, uninsured older Americans pay out $1,126 annually on average for dental work, about $400 more than what people with dental insurance spend. Those costs can be six or seven times higher if pricey services such as oral surgery, dentures, or implants are needed. So what are your options for paying for dental care?

Shop for dental insurance: While older Americans can purchase dental insurance policies at any time, typically those policies are limited in the services covered, and patients generally must use network dentists only. Policies cover preventative and maintenance care like cleanings, dental exams, a few x-rays, and a few fillings. However, dental insurance routinely comes with a maximum annual coverage limit of $1,000 to $1,500 and the annual cost of the policy itself may cost about $500. Insurers may also make you wait for coverage for major services up to three years. For example, year one, the policy would cover preventive care (such as a dental exam and cleanings). Year two would include maintenance care (such as coverage for fillings and extractions) along with preventative care, and year three major services (such as root canals) would be added. Compare as many dental insurance plans as you can find, and be sure to confirm that your regular dentists accept the insurance.

Negotiate cash discounts and payment plans: An increasing number of dental offices offer discounted services to cash paying, uninsured customers. Discuss this with your dentist or the front desk ahead of time. Many practices can usually manage a 10% reduction.

Visit community health centers and free clinics: Call your local free clinic or community health or senior center, to find out if your area has free or low cost dental services. Often local dentists volunteer their time. If you are unsure if you have a community health center, try calling the Eldercare Locator, a service of the Administration on Aging.

Medicaid and state programs for low-income seniors: If you have very limited income and little savings, free or low cost dental care is available through Medicaid if you qualify. Contact your local Medicaid office or State Health Insurance Assistance Program (SHIP).

You can get free one-on-one insurance counseling and find a counselor in your area here: https://www.shiptacenter.org. ■

Sources: "Get Dental Work Before You Retire," Center for Retirement Research at Boston College, March 9, 2017.

SOCIAL SECURITY & MEDICARE QUESTIONS

Q: When I enrolled in Medicare two years ago I purchased a Medigap "F" supplement. Since then, my premiums have gone up 15% a year! I'm worried that I won't be able to sustain cost increases like that for long. Am I allowed to switch to a lower-costing supplement?

A. Even though the 2010 Affordable Care Act forbids health insurers from refusing to cover you, or charging you more due to "pre-existing" conditions—that protection does not extend to Medicare supplements. If you have owned your Medigap policy for more than 6

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More recently from 2000 to 2010, COLAs averaged a more reasonable 4% per year. With the Great Recession in 2009, however, inflation took a severe nosedive and remained relatively flat until 2018. Although Social Security recipients received a COLA of 2% this year, steep increases in Medicare Part B premiums took most or all of the COLA increase.

According to TSCL surveys, retirees' actual costs consistently grow at a faster pace than COLAs. In 2018 the 2% COLA raised average Social Security benefits by about $26. Yet according to The Senior Citizens League's annual survey of more than 1,130 retirees, conducted between January and March of 2018, household spending rose by more than $39 per month in 2017 for 79% of survey participants.

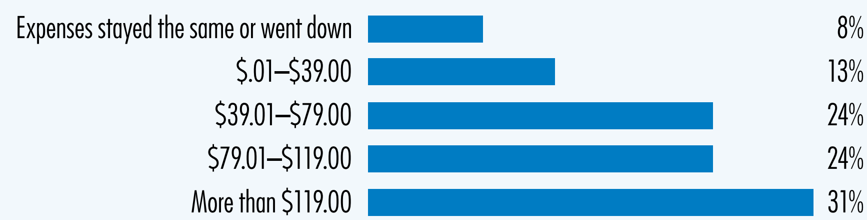
The survey question asked: "Which of the following most closely represents the amount that your total monthly expenses increased or decreased during 2017?" See responses in the chart, below.

The majority of the 59 million Americans who receive Social Security depend on it for at least 50 percent of their total income, and one-third of all beneficiaries rely on it for 90 percent or more of their income. To help protect the buying power of benefits, The Senior Citizens League supports legislation that would strengthen the COLA in three ways:

- Calculate COLAs based on the consumer price index that better reflects the spending patterns of retirees—the Consumer Price Index for the Elderly (CPI-E).
- Provide a modest boost in monthly benefits to retirees, to make up for years when no COLA or only an extremely low COLA was paid.
- Guarantee a minimum COLA of no less than 3 percent.

To learn more, visit www.SeniorsLeague.org. ■

Which of the following most closely represents the amount that your total monthly expenses increased or decreased during 2017?



What's at Stake for Social Security Benefits In the Upcoming Election? continued from page 1

proposal that would reduce COLAs by switching to a more slowly-growing, "chained" consumer price index to calculate the annual benefit boost. In fact, the new tax law recently did something similar. Indexing of income tax brackets, the standard deduction, and other parameters of the tax code for inflation were tied to a chained COLA. That means that people will pay higher taxes over time, as the standard deduction becomes less generous, while rising income would tend to push older taxpayers into higher brackets.

With it looking increasingly likely that Social Security beneficiaries will receive the highest COLA in seven years—about 3.3% in 2019—proponents of "chaining" the COLA are likely to try to argue that the COLA under current law *overpays* recipients. Proponents of using the chained consumer price index to calculate the COLA claim that the chained consumer price index (CPI) is more "accurate" in calculating the COLA because it takes into account how people substitute other items when prices change.

This claim, as you probably suspect, is hogwash. The CPI currently used to calculate the COLA *underpays,* not overpays retirees because it is based on the spending patterns of younger working adults. Yet younger workers spend less than half the amount on healthcare costs than people over the age of 65 do. Retirees also spend a bigger share of their income on housing.

In fact, when the COLA increases since 2000 are compared with the typical cost increases that retirees experienced over the same period, Social Security benefits have lost 34% of their buying power. COLAs increased benefits a total of 46 percent, while typical senior expenses have jumped 96.3 percent between 2000 through the first week of 2018. To put it in perspective, for every $100 worth of groceries a retiree household could afford in 2000, they can only buy $66 worth today. ■

Denials of Coverage Highest For Medicare Advantage Plans; continued from page 1

of those related to Medicare coverage and denials, 40% of the calls came from Medicare Advantage plan enrollees.

Denials of coverage are often for medically-necessary services received, but often unknowingly provided by out-of-network doctors. The nonpartisan Kaiser Family Foundation has reported that Medicare Advantage plan networks include, on average, only 46% of physicians. People who have Medigap supplements, on the other hand, can visit any doctor and Medicare provider.

The analysis said that people frequently used in-network facilities, such as the emergency ward of an in-network hospital, nevertheless were treated by an out-of-network physician. The report noted "Despite protections for people with Medicare who use emergency services, plans continue to deny coverage due to out-of-network providers."

The report went on to say the Medicare Rights Center also hears from people who are unable to access needed care in their plan's network because the pool of network specialists is limited, and may result in long waiting periods for appointments. While beneficiaries have the right to appeal denials of coverage, navigating through the appeals process is an onerous task, during which beneficiaries are left with bills they cannot afford to pay.

TSCL feels that Medicare Advantage plans must provide adequate provider networks in order to cover all Medicare services, something that is required by law. TSCL believes that Medicare Advantage networks could be strengthened to ensure that all doctors, specialists and other providers are part of the same insurer networks as the hospitals and clinics they use to treat patients. ■

Editor's note: Medicare's Open Enrollment period starts October 15th and ends December 7, 2018. Watch for mail from your health or Part D plan and review your plan's changes for 2019. Take note of information about provider network changes. If you need advice, free one-on-one counseling is available. Get help to compare Medicare Advantage plans from a State Health Insurance Program (SHIP) counselor, and to switch plans if you find one better suited to your needs. Find a SHIP counselor in your area at https://www.shiptacenter.org.

Sources: "Medicare Trends and Recommendations: An Analysis of 2016 Call Data From The Medicare Rights Center's National Helpline," Medicare Rights Center, March 2018. "Medicare Advantage: How Robust Are Plans' Physician Networks?" Kaiser Family Foundation, October 5, 2017.

Ask the Advisor: How Can We Cope with Debt in Retirement? continued from page 2

money on a mortgage, home equity line of credit, or both. Digging out requires work and making changes. Reducing debt requires increasing income, restructuring your budget, and other changes. Here are some things to consider:

Try going back to work or getting a second job. Reducing costs is often the harder choice, because costs tend to grow with age. You may want to consider getting a job that could provide extra income and perhaps help with health benefits. Even if you must stay at home as a caregiver, you may want to consider providing adult day care to another individual if your home is set up for that, or to find a job that allows you to work online from home.

Know what debt you have. Make a list of your mortgage, any home equity line of credit (HELOC), credit cards, and any other debt. Making minimum payments may keep you out of collections, but that strategy doesn't pay off debt. Prioritize your loans by the amount of interest, and whether the interest (such as for a mortgage) is tax deductible. Work out a plan to pay off the highest non-deductible interest loan first, while making the minimum payments on other loans. As you get a loan paid off, start on the next highest interest loan.

Consider selling off personal effects that you aren't using. If you have antiques and collectibles, or just an attic full of stuff in storage, consider selling it by auction, Ebay, or to dealers.

Give yourself a Benefits Check Up: If your savings are gone, and you aren't able to get a side job, you might qualify for programs that can help pay for Medicare Part B premiums, drug costs, meals, heating and cooling your home, rental subsidies and other costs. Using the National Council on Aging's Benefits Check Up online tool is simple. You answer a few screening questions and you can get the contact information for programs in your area. Try the tool at BenefitsCheckup.org. ■

Social Security & Medicare Questions; continued from page 5

months, in most (but not all) cases you won't have a right to "guaranteed issue." When you have this right, companies must sell you a Medigap policy at the best available rate, regardless of your health status, and cannot deny you coverage.

Under federal law, Medigap insurers can refuse to cover your prior medical conditions for the first six months. You may have a guaranteed issue right, however, if one of the following applies:

- You lost a group health plan that covered your Medicare out of pocket, through no fault of your own.
- You were enrolled in a Medicare Advantage Plan when you first became eligible for Medicare and disenrolled within 12 months.
- Your previous Medigap policy, Medicare Advantage Plan or PACE program ends it coverage or commits fraud.

Should you find a company that agrees to sell you a policy, you may be charged a higher monthly premium and be subject to a six-month waiting period before the policy will cover pre-existing conditions. Contact Medigap insurers in your state to learn if they will sell you a policy outside the protected period.

Very important! Should you get a new Medigap supplement, don't cancel your old policy right away. You have a right to review a new Medigap policy for the first 30 days. You may cancel within that time for a full refund if it does not meet your needs. You will however, be responsible to pay premiums for both policies during this 30-day "free look" period.

Premiums for Medigap supplements are one of the fastest growing costs of retirees who have that type of coverage—increasing 16% on average from 2017 to 2018. Premiums are on the fast track upward after Congress enacted legislation in 2015 that will close Plan F and C to new enrollees in 2020. While people who currently own one of these policies will be able to keep it, closing the policies to younger and more healthy new enrollees will mean that those left will be older, sicker and more expensive to insure, thus driving up premiums.

To learn more: Use this tool to answer your questions—Medicare Interactive by the Medicare Rights Center—https://www.medicareinteractive.org.

To get questions answered by phone or in person: Free one-on-one insurance counseling from your State Health Insurance Assistance Program (SHIP). Find a counselor in your area here: https://www.shiptacenter.org. ■

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