

ARE YOU OVERPAYING FOR PRESCRIPTION DRUGS?

New Analysis Says Yes!

A new analysis of twelve frequently-prescribed drugs illustrates that Medicare recipients frequently overpay for their medications. Because Medicare doesn't negotiate drug prices, there are wild swings in prices between Part D drug plans. The difference in cost for the same drug can be in the thousands of dollars for the most expensive drugs, and hundreds of dollars for more common prescriptions.

Although Medicare has an annual Open Enrollment period from October 15th through December 7th—when beneficiaries can compare drug plans and switch to lower costing drug plans—few retirees actually do so. In most areas of the country, the average Medicare beneficiary has more than two dozen Part D plans to sort through, and frequently doesn't know where to begin. Few are aware that free unbiased help is available locally to help select the best plan. Consequently, Medicare beneficiaries wind up overpaying for prescriptions that could be obtained for a lower cost from a different drug plan.

Advisor editor Mary Johnson, who volunteers as a Medicare navigator during Medicare's Open Enrollment period, has been studying the

continued on page 6

WEAK SUPPORT AMONG OLDER AMERICANS FOR MEDICARE-FOR-ALL

More Support for a Medicare "Buy-In"

As Congress and Democratic candidates debate Medicare-for-all, TSCL's 2019 Senior Survey finds tepid support among older Americans for expanding Medicare to everyone. On the other hand, our survey found some support for allowing the 55–64 group the opportunity to "buy-in" to Medicare.

Here's how Senior Survey participants responded:

continued on page 7

IN THIS ISSUE:

Benefit Bulletin: One Third of TSCL Survey Respondents Have Not Received Routine Dental Care in Two Years; p.2

Social Security & Medicare Questions: Who Notifies Social Security When Someone Dies? p.2

Legislative Update: What Could a COLA of No Less Than 3% Mean for You? p.3

How Should Medicare Negotiate Drug Costs? p.3

Best Ways To Save: Attention Diabetics! New Drug Plan Program Lowers Cost of Lantus to as Little as \$6.00 to \$11.00; p.4

Ask the Advisor: How Would Importing Prescription Drugs from Other Countries Help People in Part D Plans? p.5

OUR GOVERNMENT THINKS YOUR COST-OF-LIVING IS LOWER THIS YEAR

Is It Really?

Mary Johnson, Editor

After getting a 2.8% Cost-of-Living Adjustment (COLA) this year—the highest since 2012—the COLA for next year could be closer to 1.6%. Earlier this year, the cost of gasoline and oil dragged down the consumer price index used to calculate the annual COLA—but other goods and services which form a bigger portion of older household spending have increased at several times the rate of overall inflation, a sign that the buying power of this year's COLA may be eroding. In 2019 the data indicates that Social Security recipients have lost one third of their buying power (33%) since the year 2000.

According to consumer price data through June, here's a chart listing of some of the fastest growing retiree costs over the past 12 months.

The COLA for 2020 will be announced in October. It is determined on the percentage of difference in the average increase of the consumer

continued on page 7

One Third of TSCL Survey Respondents Have Not Received Routine Dental Care in Two Years

By Rick Delaney, Chairman of the Board

One out of three adults covered by Medicare is not getting regular routine dental care, according to TSCL's 2019 Senior Survey. We estimate that translates to roughly 20 million older Americans who are going without bi-annual cleanings, X-rays, and dental exams. Medicare does not cover routine dental health services, and that often comes as a shock to new beneficiaries. More than half of survey participants say they do not have any dental insurance coverage.

The high cost of treatment is a frequently cited barrier by those who are not getting the dental care they need. Elizabeth H., a retiree living in Colorado told us "I do not have the \$7,000 I was told that I needed to get my teeth fixed. They need to either be pulled and a bridge put in, or root canaled. Being on a limited income, I do not see getting any of this done, and so it affects my health negatively. Without dental care, I'm not as healthy as I could be."

Advancing age puts many retirees at risk of oral health problems. A common cause of cavities is dry mouth, a side effect of more than 500 medications. Periodontal disease is widespread, even though it can be prevented with regular visits to the dentist and cleanings. In addition, research shows a strong link between oral health and a host of other diseases.

Poor oral health makes serious medical conditions more difficult to treat. Researchers have found links between gum disease and other inflammatory conditions such as heart disease, stroke, diabetes, respiratory, and Alzheimer's disease. Improved oral care on the other hand, can reduce medical costs in patients with inflammatory diseases, according to research published in the American Journal of Preventive Medicine. To improve health outcomes for beneficiaries and reduce Medicare spending on diabetes and other inflammatory diseases, Medicare needs to cover routine dental care. More than 81% of participants in our 2019 Senior Survey agree.

The Senior Citizens League strongly supports legislation in



Rick Delaney,
Chairman of the Board, TSCL

both the House and the Senate that would address this issue. H.R.576 *Seniors Have Eyes, Ears, and Teeth Act* introduced by Rep. Lucille Roybal-Allard (CA-40) in the House would expand Medicare to provide routine dental care. In the Senate, S.22 Medicare Dental Benefit Act, introduced by Senator Ben Cardin (MD) would also provide coverage for dental care.

When attending town halls, find out how your candidate stands on this issue. Ask whether he or she supports expanding Medicare coverage to dental care. ■

SOCIAL SECURITY & MEDICARE QUESTIONS

Who Notifies Social Security When Someone Dies?

Q: My grandfather passed away two months ago at 89, and my step-grandmother (who is 85) is having problems with dementia. Her son, (my step-uncle), who has power-of-attorney for his mother, told the family that he notified Social Security of my grandfather's death. I thought the funeral director normally did this. Now, I question whether this actually got taken care of. My grandfather never gave anyone in the family power-of-attorney, and I don't know if he left a will. I suspect my step grandmother may be getting two Social Security checks, her own retirement benefits and still receiving my grandfather's retirement check.

continued on page 8



Shannon Benton,
Executive Director

What Could a COLA of No Less Than 3% Mean for You?

By Shannon Benton, Executive Director

The Social Security Cost-of-Living Adjustment (COLA) is provided to protect the buying power of Social Security benefits from rising prices. Yet for almost a decade, retirees have had to manage their household budgets despite COLAs that have been at unprecedented lows. During this period, typical retiree costs have continued to rise several times faster than overall inflation and, consequently, Social Security benefits have lost one-third of their buying power since 2000.

Over the past nine years, COLAs have averaged just 1.4%, so it comes as a frustrating surprise to retirees to learn that, in the decade prior to 2000, COLAs averaged 3% per year, more than twice the average today. Because COLAs compound, and the monthly benefit grows over time, lower COLAs mean less Social Security income than retirees might have planned for. That in turn means spending through retirement savings more quickly than planned.

TSCL has been working to get legislation enacted that would require a minimum COLA of no less than 3%, even in years when inflation falls below that amount. There's a lot of money at stake for retirees. An analysis prepared by *Advisor* editor Mary Johnson

estimates that Social Security benefits for anyone retired since 2009 would be 18% higher today had Social Security recipients been protected by such a 3% minimum. An average benefit of \$1,075 in 2009 has increased to \$1,229.60 in 2019. But had beneficiaries received a minimum COLA of no less than 3% that benefit would be \$1,453.10 per month today—more than \$223.50 per month higher!

That's why I'm excited and proud to announce TSCL's endorsement of The Guaranteed 3% COLA for Seniors Act (H.R. 3389) introduced in the House by Representative Eliot Engel (NY-16) and its companion bill in the Senate (S. 1923) introduced by Senator Sheldon Whitehouse (RI). TSCL believes this bill will go a long way toward stopping the erosion in the buying power of

your Social Security benefits.

Now it's your turn. You can help draw attention to this legislation by contacting your Members of Congress and asking them to co-sponsor The Guaranteed 3% COLA for Seniors Act. For contact info or to send an email to your elected lawmakers visit TSCL at www.SeniorsLeague.org.

In the months ahead, The Senior Citizens League will continue to work for enactment of this and other legislation that would strengthen and enhance Social Security benefits for current and future beneficiaries. For progress updates, follow The Senior Citizens League on *Twitter* and Facebook. ■

How Should Medicare Negotiate Drug Costs?

The U.S. pays the highest drug prices of any developed nation in the world. We asked participants in our 2019 Senior Survey to evaluate three leading proposals that would allow Medicare to negotiate drug prices. Here's how each proposal fared:

A. Base Medicare Part D drug prices on the prices paid in other industrialized countries such as Canada, Great Britain, Belgium and Japan. To do this Medicare would tie what beneficiaries pay at the

continued on page 4

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BEST WAYS TO SAVE

Attention Diabetics! New Drug Plan Program Lowers Cost of Lantus to as Little as \$6.00 to \$11.00

Increased Congressional scrutiny of drug pricing practices, particularly for the pricing of insulin, appears to be prompting some insurers to lower the cost of insulin on which so many diabetics depend to control their blood sugar. In April of this year, Cigna and Express Scripts announced one such plan to reduce out-of-pocket costs for insulin for some customers.

In comparing frequently prescribed drugs for TSCL's 2019 drug price comparison report, we found a new drug plan pricing program with estimated co-pays for Lantus Solostar so low, that it prompted *Advisor* editor, Mary Johnson, to contact the drug plan to confirm accuracy. Here's why. Last year, the lowest cost drug plan charged about \$80 for 100/ml of Lantus Solostar. This year, the lowest cost plan Cigna-HealthSpring Rx Secure—Extra Part D plan charges copays as low as \$6.00–\$11.00 for

Lantus Solostar. The highest cost plan, which does not cover Lantus, charges the full price, \$383.18 per 100/ml.

Jennifer Luddy, Director of External Affairs for Cigna replied to our inquiry saying:

Cigna Medicare PDP has a number of different Prescription Drug Plan offerings with different premiums, deductibles and formularies in order to meet all health needs and

budgets. On our Cigna-HealthSpring Rx Secure-Extra plan, which is available nationally, this drug (Lantus Solostar Inj 100.ml) is available for as low as a \$6 copay as long as customers use a preferred pharmacy and they are not in the donut hole or catastrophic phase. The cost share is more for customers in most of our other plans, including our MAPD (Medicare Advantage Prescription Drug) plans. ■

Editor's note: Unlike some senior advocacy groups, TSCL does NOT receive any income from drug makers. If you are a diabetic and take Lantus Solostar, we strongly recommend that you get help and compare ALL of your drug plan options during the upcoming Medicare fall Open Enrollment period that starts October 15th and ends on December 7th. to learn if the Cigna-HealthSpring Rx Secure plan can lower your drug costs. While co-pays may change for 2019, it's worth the effort since other plans still charge higher co-pays.

Part D plan changes become effective January 1, 2020. You can get top notch free one-on-one counselling and help to switch to better drug plans through your state health insurance assistance program, many of which operate through Area Agencies on Aging. Local program contact info can be found at: www.shiptacenter.org.

How Should Medicare Negotiate Drug Costs? continued from page 3

pharmacy to an “international drug pricing index” that surveys the cost of that drug in other nations where drug prices are negotiated by the government.

Support.....	72%
Oppose	5%
Not sure	23%

B. Use a similar system to Medicaid to negotiate prescription drug prices. Under the Medicaid “best price” policy, a drug manufacturer must offer state Medicaid programs the same price given to

any other purchasers (with a few exceptions), along with a mandatory rebate of 23.1% off the list price. Medicaid programs must in turn cover all manufacturers’ prescription drugs with few exceptions.

Support.....	70%
Oppose	6%
Not sure	24%

C. Use a similar system to that used by the Veterans Administration (VA) and Department of Defense (DOD) to negotiate drug prices. The VA and the DOD require drug manufacturers to offer them a

discounted price equal to 24% off a drug’s average price, or the lowest price paid by other (nonfederal) buyers—as well as further discounts if a drug’s price rises faster than inflation. Both programs use formularies, or a list of covered drugs, to strengthen their negotiating and get steeper discounts, which means some drugs may only have limited coverage or may be left off the formulary altogether.

Support.....	61%
Oppose	12%
Not sure	27%

ASK THE ADVISOR

How Would Importing Prescription Drugs from Other Countries Help People in Part D Plans?

Q: In the debate over lowering prescription drug prices, I see frequent mention of allowing importation of drugs from other countries. How would that work for people enrolled in Medicare Part D?

A: Drug prices in the U.S. are much higher than in other developed countries, because there are no federal laws regulating prices. In fact, the law specifically forbids Medicare from negotiating prices on behalf of its beneficiaries. Allowing the importation of prescription drugs from countries such as Canada, where drugs are less expensive, has the potential to lower drug costs for both U.S. consumers and the federal government.

The proposal would potentially help those enrolled in Medicare Part D and Medicare Advantage plans, particularly in cases where a drug is not covered by the individual's plan or, as a less-expensive alternative, when the cost of importing a drug is lower than the co-pay for purchasing the medication with Part D plan coverage. Proponents of importation point out that, over the long-term, increased competition from imported drugs could pressure drug companies to reduce their prices in the U.S. and thus help reduce costs for other drugs you may take.

Some states have passed laws that would allow their state to import drugs from Canada. National Public Radio (NPR) recently reported that the state of Florida wants to establish a pilot program to buy medications from Canada in bulk. The state would contract with a wholesaler in

Canada, who would provide certain high cost drugs that the state identifies. Patients in Florida who have a prescription for one of those drugs would just go to their pharmacy to pick up their medication.

But no matter how legislation would be structured, Canadian health experts are warning that the plan could accelerate drug shortages in Canada. Attempting to fill the U.S. consumers' needs with pharmaceuticals from our smaller northern neighbor could not only drain supplies in Canada, but also drive up prices in that government-run health system, opponents say.

Although importing prescription drugs from Canada is illegal, a substantial portion of consumers in the U.S. already purchase lower-cost prescription drugs from Canada and other countries. A random sample survey of American adults in 2016 found that 8% of respondents said they or someone in their household had imported a drug at some point, which translates to about 19 million individuals.

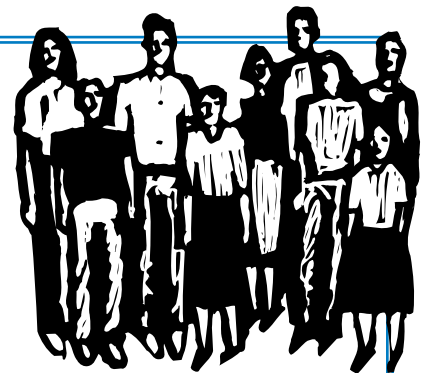
Several bills to address this issue have gained traction in Congress and bill sponsors are trying to prevent problems by inserting language into the legislation that would bar drug companies from retaliating against Canadian pharmacies that sell medication to U.S. consumers at the lower Canadian prices. The Senior Citizens League supports the Affordable and Safe Prescription Drug Importation Act (H.R. 447, S.97). In 2017 the Congressional Budget Office estimated that a previous version of the bill would reduce the federal deficit by about \$6.8 billion over the next ten years.

What do you think? If you have not already done so, please take our 2019 Senior Survey at www.SeniorsLeague.org. ■

Sources: "Importation of Drugs into the United States From Canada," Nigel S. B. Rawson, PhD, Louise Bender LLD, CMAJ, June 19, 2017 posted on the National Institute of Health website. "Florida Wants to Import Medicine From Canada. But How Would That Work?" Selena Simmons Duffin, NPR, June 18, 2019.

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.



Are You Overpaying for Prescription Drugs? New Analysis Says Yes!; continued from page 1

variation in costs for three years. She compared the lowest and highest cost between drug plans for a list of 12 frequently-prescribed drugs. This year the list includes commonly prescribed brand name and specialty drugs, as well as two widely-used generics. The analysis found:

- The difference in drug prices between the lowest and highest costing plans, can be in the hundreds, or even thousands of dollars. For brand name and specialty drugs, the most frequent reason that the drug costs so much more in the highest costing plan is lack of coverage. The drug is not listed on the high cost plan's formulary. For example, the lowest cost plan for Sovaldi, a drug used to treat Hepatitis C, charges \$5,600 in co-insurance (for a one-year treatment). The highest cost drug plan charges \$100,800, the full cost of the drug, because Sovaldi is not on the plan's formulary.
- New Part D plan drug pricing programs may lower costs for those who seek out the savings. Recent Congressional scrutiny on drug pricing may be spurring some drug plans to drop prices on certain drugs, but it takes comparing plans to find the best choice. One of the biggest cost-savings found is due to a new drug plan pricing program that lowers the cost

of insulin. In 2018, the lowest cost Part D plan charged an \$80 copay for a 100/ml of Lantus Solostar. But in 2019, the lowest cost plan charges copays as low as \$6.00–\$11.00 for Lantus Solostar in the Cigna-HealthSpring Rx Secure—Extra Part D plan. The highest cost plan, which does not cover Lantus, charges the full price, \$383.18 per 100/ml.

- High premiums don't purchase better coverage. The generic blood pressure medication, Lisinopril is one of the most commonly used prescriptions by Medicare beneficiaries. The least expensive Part D plan has no copay for the drug, and the plan's monthly premium is just \$14.50 in the zip code used in the analysis. The most expensive plan charges a co-pay of \$9.19, and the plan has a monthly premium of \$93.30. Counting premiums, that's a difference of \$1,055.88 for the entire year.

To avoid overpaying for prescriptions and to find the most affordable coverage, the importance of comparing drug plans during your initial enrollment in Medicare, and during Medicare's annual Fall Open Enrollment period (October 15th – December 7th) can't be overstated. Most people age 65 years and older take more than one prescription drug and, to get the best plan, consumers need to compare plans based on all

the drugs they actually take. In addition, consumers should compare prices between pharmacies, including mail order, which can also vary.

Free one-on-one assistance is available, to help compare and select plans, through state health insurance assistance programs. Many of these programs operate through Area Agencies on Aging, or senior centers. Local program contact info can be found at: www.shiptacenter.org. ■

Weak Support Among Older Americans for Medicare-For-All: More Support for a Medicare “Buy-In”; continued from page 1

“In general, do you feel that the eligibility age for Medicare should be gradually lowered so that all Americans can get healthcare?”

Oppose 49%
 Support 35%
 Not sure 16%

“In general, do you feel adults age 55 to 64 should have the option to ‘buy-in’ to Medicare?”

Support 57%
 Oppose 25%
 Not sure 18%

While there are numerous proposals to reform our nation’s healthcare system under debate, a new poll by the non-partisan Kaiser Family Foundation found

that most Americans know little about the leading Medicare-for-all proposals and how those proposals would affect the way all Americans, including Medicare recipients, receive and pay for our healthcare. Tricia Neuman, of the non-partisan Kaiser Family Foundation recently testified at a House hearing on Universal Health Coverage and in her comments about major proposals under discussion, explained a Medicare buy-in. In her testimony, Neuman said the approach focuses on older adults 50 to 64 “because they face high premiums in the healthcare marketplace, particularly when their incomes are just above the limit for tax credits.”

A Medicare buy-in would cover Medicare benefits, Part A, B, and D, and would allow individuals to apply Affordable Care Act premium

tax credits and subsidies toward their Medicare buy-in coverage. A Medicare buy-in would use Medicare rates to pay hospitals and healthcare providers to reduce costs and premiums, rather than the higher rates typically paid by private insurers, and thus reduce premiums and spending.

Most importantly, the buy-in proposal would keep the financing of the new program separate from the current Medicare program, and explicitly prohibit the new program from having an impact on premiums and benefits in the current Medicare program. ■

Sources: “Strategies for Improving Health Coverage and Reducing Costs: Major Proposals and Key Considerations,” Tricia Neuman, Sc.D., Kaiser Family Foundation, prepared for the Committee on Ways and Means U.S. House of Representatives Hearing on Pathways to Universal Health Coverage, June 12, 2019.

Our Government Thinks Your Cost-of-Living Is Lower This Year: Is It Really? continued from page 1

price index for Urban Wage Earners and Clerical Workers (CPI-W) in the third quarter (July, August and September) of 2018 and the average increase in the third quarter of 2019. Summer hurricanes, tariffs and other factors could drive prices and the COLA a little higher, but inflation trends are erratic this year.

To help protect the buying power of benefits, The Senior Citizens League supports legislation that would strengthen the COLA in three ways:

1. Calculate COLAs based on a consumer price index that better reflects the spending patterns of retirees—the Consumer Price Index for the Elderly (CPI-E).
2. Provide a modest boost in monthly benefits to retirees to

make up for years when no COLA or only a negligible COLA was payable.

3. Guarantee a minimum COLA of no less than 3 percent.

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

FASTEST GROWING COSTS OF RETIREE HOUSEHOLDS FROM JUNE 2018 TO JUNE 2019

1. Health insurance	13.7%
2. Lettuce	9.1%
3. Repair of household items	8.8%
4. Gardening & lawn care services	8.0%
5. Bacon	7.0%
6. Household paper products	5.6%
7. Tuna fish	4.6%
8. Motor vehicle maintenance and servicing	4.2%
9. Veterinary services	4.2%
10. Care of invalids and elderly in their homes	4.0%
Overall rate of inflation of all items surveyed for CPI.	1.6%

Source: CPI for All Urban Consumers June 2019, Bureau of Labor Statistics.

A: We are sorry to hear about the loss of your grandfather. When someone dies, the Social Security Administration (SSA) requires that it be notified as soon as possible. Usually, the funeral director will report the death to the SSA if supplied with the deceased's Social Security number (SSN).

If your grandfather's estate is probated, the executor or administrator would make sure the Social Security Administration is notified. One reason to inform Social Security promptly, though, is to ensure that your step-grandmother is receiving the appropriate benefits. Your step-grandmother may be eligible for a

one-time death benefit of \$255 if she was still living with the deceased. In addition, she would be entitled to a widow's benefit based on 100% of the amount that your grandfather received, or her own retirement benefit if higher.

Your grandfather and step-grandmother may have shared a bank account to which Social Security benefits were electronically paid. The SSA requires that such accounts must remain open for at least 45 days following notification to the SSA of the death. It would not be unusual for your step-grandmother to have two bank accounts for several months.

Social Security also requires that payments for the month during which the person died be

returned. If, for example, your grandfather died on June 24, 2019 then the payment sent in July (which is the benefit for the month of June), must be returned. If the SSA has not been informed of your grandfather's passing, all the payments for the month of death and thereafter will need to be repaid. If received by direct deposit, the bank will be able to return the funds for the month of death and thereafter, assuming the funds are still available to do so.

To protect your family, we encourage you to seek professional legal advice, preferably from an attorney that specializes in estates in the state of your grandfather's primary residence. ■