



AT&T Ameritech /SBC Retirees – We are AASBCR®

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Legislative Ledger

May 21, 2010

NRLN – What Have You Done for Us Lately? (3rd in a series)

This Legislative Ledger provides some additional insight and information as to what the NRLN (National Retiree Legislative Network) is doing on behalf of retirees especially in light of the recent passage in healthcare legislation and the Forbes Article:

[Documents reveal AT&T, Verizon, others, thought about dropping employer-sponsored benefits](#)

In particular, one area where Medicare seems to be inadequate is catastrophic coverage. The NRLN has been lobbying on this issue and has provided the following status:

Catastrophic coverage:

Catastrophic coverage for Medicare was lobbied for by the NRLN but did not survive round one because Congress pledged not to add to Medicare costs and did not consider Medicare to be part of national health care reform. Most members of Congress do not consider those on Medicare as having a problem with catastrophic coverage. The NRLN will reintroduce our proposal for those over 65 when Congress next addresses health care or if Medicare is on the table in 2011 or sooner.

The NRLN supported and was pleased that catastrophic coverage in the form of “reinsurance subsidies” for companies was included in the bill even if it is an interim measure because the act of recognizing the need for any form of catastrophic coverage for retirees is a plus and also because this recognition lends credence to arguments that catastrophic coverage (out-of-pocket limits) should be included as a Medicare benefit. Our belief is that companies will be more inclined to retain health care plans if they get this relief and since over \$600 billion will be



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spent elsewhere, retirees deserve to benefit by \$5 billion from this temporary fund.

Medicare Buy-in:

Medicare buy-in was the NRLN's view of how to help those retirees, ages 55-64, who have been losing health care benefits when companies cancel their plan's coverage. Today, layoffs have washed out most Medicare eligible employees thus creating a huge increase in retirees stuck with the need to replace their benefits in a very costly marketplace. There has been a lot of misunderstanding on this issue. The NRLN proposal WILL NOT add to the cost of Medicare. The NRLN proposal requires the buy-in or premium level be set at 100% of the cost of Medicare to active participants. The proposal would spread overhead costs over more participants and actually lower the cost of Medicare per participant.

The Senate proposed Medicare buy-in, but the proposal included payment of large subsidies rather than buy-in at cost. When the bill reached the Senate floor for vote, Medicare buy-in was stripped from the bill.

The NRLN intends to reintroduce this proposal when Congress next addresses health care or if Medicare is on the table in 2011 or sooner. *

* As an aside, those under 65 may be able to utilize the exchanges under the new healthcare bill.

So what can we do to support these NRLN planned initiatives so that the NRLN will be more effective in protecting us, the retirees? We can act on the Capwiz alerts that the NRLN sends us. They arrive periodically via e-mail. It's an organized way to contact our representatives and Senators, and let them know that we support the NRLN Legislative Agenda and as retirees we'd like to see Congress address the issues outlined in it. Help the NRLN help retirees by becoming more pro-active in support of your local retiree group, AASBCR® and the NRLN.