



July 2011

Staten Island Democratic Association

est. 1961 as Staten Island's reform Democratic Club

www.sidems.org

At our Next Meeting:

- **Ajamu Sankofa**

on healthcare reform

(Mr. Sankofa's newsletter insertion was in the May 2011 newsletter)



- **Sen. Diane Savino**

on the closing of the Arthur Kill Correctional Facility

- **Medicare/Medicaid Position Paper**

PLEASE READ BEFORE THE MEETING, AS WE WILL BE HAVING AN ENDORSEMENT VOTE.

Tuesday, July 19, 2011, 8:00 P.M.,
Karl's Klipper, 40 Bay Street, 718-720-4442



Editorial Policy

Items for publication must be submitted to the newsletter no later than the last Friday of the month before the meeting. Please send items to:

cmaxbauer@yahoo.com.

Unless explicitly stated, the views herein are those of the authors and not of S.I.D.A.

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“I hold it, that a little rebellion, now and then, is a good thing, and as necessary in the political world as storms are in the physical.”

- Thomas Jefferson
1787

S.I.D.A. President’s Message

July 2011

“WE DIDN’T START THE FIRE.”
(with apologies to Billy Joel)

Barack Obama, Mitch McConnell, Boehner, Harry Reid
Katrina, Haiti, Earthquakes, Tsunamis thrice
Nuclear meltdowns, power plant sitings
Oil in the Middle East, fighting there forever
Poverty, great wealth, greed and inequity
Brotherhood of Man, where’s world equality?

“We didn’t start the fire
It was always burning
Since the world’s been turning
We didn’t start the fire
No we didn’t light it
But we tried to fight it.”

Jobs, jobs, jobs, jobs;
Obama Presidency in the balance.
State budget cuts and closing of Arthur Kill Correctional.
New York State redistricting reform;
whose hands are in the till?

Staten Island State Assembly
and State Senator races;
Search for 60th Assembly candidate;
Dominick R. DeRubbio.
2011 district lines and who will be our Congressman!

Obama health care plan...
Democratic Health Care plan — will it survive, will it work?
Republicans rue & ruin the plan.

Republican Ryan’s so-called “plan” — the end of Medicare as we know it.
Don’t balance the Budget on the backs of the poor.
Stop the cuts to the social safety-net.

Gallup poll 59% of Americans agree:
Upper-income people pay too little in taxes,
and 67% say corporations pay too little.
Greatest inequity in rate of pay
Between CEO’s and workers today.

Preserve Social Security, Medicare and Medicaid.
Balancing the budget on the backs of the poor
versus the millionaire’s tax; Corporate and
personal tax shelters, breaks, and loopholes.

Workers’ rights and Labor gains lost,
Corporations now our worst-ever boss
Corporations pay to play;
Contributing anonymously

“If businesses do poorly, they shouldn’t be expected
to pay back much in the form of taxes.
But if they do well, they SHOULD....

They're benefiting from our public schools,
our roads, our courts and so much more
that America provides to help them succeed.
But they aren't paying us...their real anchor investors....back.
Simply put, it's unpatriotic. Those who do well in America,
should do well by America." Van Jones

China holds our largest debts
North Korea, South Korea, Hemingway—
50 years ago he took his life.
"J.F.K., blown away, what else do I have to say"

Americans in Afghanistan; Iraq soldiers—
Bring them back. Foreign debts, homeless Vets,
AIDS, Crack, Oxycodone and prescription drugs

"We didn't start the fire
It was always burning since the world's been turning.
We didn't start the fire
But when we are gone
It will still burn on, and on, and on, and on...
No we didn't light it
But we tried to fight it."

Peace, love, justice and Political Action!

- Dennis Brown
President



Sen. Diane Savino

Governor Andrew Cuomo announced that the Arthur Kill Correctional Facility will be one of seven New York State prison facilities he will be closing because of overcapacity in the state's prison system. State Senator Diane Savino will address the club on this issue at our July 19 General Membership Meeting and in preparation thereof sent us the following letter.

Dear members of the Staten Island Democratic Association,

I returned to Albany this year with a new Governor, a new Senate majority, a \$10 billion deficit, a new conference and a lot of questions.

I now return to report that we have reduced the budget deficit, passed landmark ethics reform, historically passed marriage equality, saved a SUNY system on the verge of staggering tuition increases and passed a comprehensive audit of the MTA to ensure the future of our public transportation system.

I personally passed legislation like the “Gold alert” to help seniors; a bill that would coordinate efforts between the Dept. of Aging and the office of Military Affairs so that older veterans are better cared for. I passed major improvements to our healthcare, as we will soon have comprehensive Autism insurance reform, supplemental breast cancer screening, and oral chemotherapy coverage.

Closer to home, in January the Governor announced his intention to reduce the number of prison beds, to great fanfare. He took the position that our prison system was too costly and inefficient and should not be maintained as an upstate jobs program at the expense of downstate families.

Let’s be clear, the Governor alone, has the authority to keep the prison open or to close it. We the Staten Island delegation made it clear to Governor Cuomo more than once, that we did not support the closure of Arthur Kill Correctional Facility. Arthur Kill Correctional Facility is the only downstate full confinement facility run by the State DOCS it has an annual payroll of \$27 million, and has 480 employees. All of whom live on Staten Island. The State Department of Corrections has invested \$43 million in capital improvements to Arthur Kill Correctional Facility in the last 5 years.

The property is a brownfield; not suitable for development. For all of these fiscal reasons, it makes no sense to close Arthur Kill Correctional Facility. And most importantly, the Governor’s original concern that downstate inmates and their families are used as a jobs program for upstate would be completely undermined with the closure of this facility.

This Tuesday July 6, 2011, Assemblyman Titone, Senator Lanza and I again toured the prison. We met with the superintendent, program administrators as well as PEF and NYSCOBAs union reps at Arthur Kill Correctional Facility. We are reaching out to the Governor’s office to encourage that he re-examine this closure in light of the information he may not have had. We have also reached to the Black and Latino Caucus as they have expressed concerns re: inmates being shipped far from home, far from their families, children and their communities, increasing the risk of recidivism.

Diane J. Savino
New York State Senate

Letters

We in S.I.D.A. like to make our views known. The following are some of the letters written by S.I.D.A. members that have appeared in print. Unless otherwise indicated, all letters were in the Staten Island Advance and/or posted on the Advance’s website www.silive.com. Unless explicitly stated, the views herein are those of the authors and are not the views of S.I.D.A.

On-line June 19, 2011

Printed June 19, 2011

Rep. Grimm Won't be Boasting about His Vote on Disclosure

Do you support the requirement that those seeking a government contract disclose who they made political contributions to?

I believe the vast majority of Americans would say yes. Why shouldn't we know which special interest is trying to influence legislation through their political contributions?

If you would have answered yes, then you should be displeased with Congressman Grimm for voting to block disclosure of political contributions by contractors.

On May 25, two days before the start of the Memorial Day weekend, Congressmen Grimm voted in favor of prohibiting the federal government from requiring contractors to disclose their political contributions (Roll Call Vote 347).

You were not aware of this vote? That was part of the plan. If you want to hide a vote from your constituents, bury it among 150 amendments in a 900-page bill and then vote on it right before a holiday weekend.

In one of the most bizarre justifications for a vote, those voting against disclosure say that they were defending free speech because some contractors would not want the public to find out who they made political contributions to.

Let's face it: Congressman Grimm will not be highlighting this vote during next year's campaign.

- *Richard Reichard*

On-line June 26, 2011

Printed June 26, 2011

Restoring Fair Tax Policies Would End Need for Budget Cuts

The mayor's proposed cuts will have an impact on the middle class from Tottenville to St. George. Closing firehouses in South Beach and Port Richmond will mean longer response times to brush fires that often threaten the South Shore, and to other emergencies.

Cuts to the public library will have serious impact on the services offered in every Staten Island branch.

Cutting senior centers providing socialization for many of our elderly, especially those living in areas with limited transportation, is downright cruel.

Cuts to the school budget will impact on class size, especially in those non-poverty buildings that do not get federal funds.

It need not come to be. Ending subsidies to the big five banks, closing hedge-fund loopholes, cutting city contracts to the big six banks, demanding that the electronic mortgage recording system pay fees owed to the city, taxing millionaires, and taking one third of our \$3-billion surplus would raise \$2 billion.

Restoring the commuter tax, establishing a progressive commuter tax, making insurance companies pay taxes as other businesses do and increase personal income taxes for the wealthy which would raise \$2.07 billion.

We can write our Councilmembers Ignizio, Oddo, and Rose to propose these alternatives.

- *Loretta Prisco*

On-line July 8, 2011

Printed July 8, 2011

Expired Ban on Fracking Puts Our Water under Threat

The ban on the horizontal part of hydraulic fracturing (hydrofracking or fracking) for methane in New York State expired on June 30.

But the dangers of fracking method of drilling continue because fracking uses millions of gallons of our water laced with hundreds of carcinogenic and endocrine-disruptive chemicals, breaking up shale to extract methane.

Endocrine disrupters interfere with children's cognitive and physical growth.

The methane extracting industry has committed thousands of violations in many states, and in Pennsylvania, drinking water near fracking sites is contaminated.

"Produced" waste water from other states, put through treatment plants not equipped to eliminate all these chemicals, is dumped into our rivers and other bodies of water in New York State.

A recent New York Times article reports that gas industry insiders say the estimated amount of methane in states has been overstated, while extraction companies continue to enjoy federal subsidies while charging you over \$4 for a gallon of gasoline.

The bottom line is this: Do you want your water poisoned for any reason? When the best water in the country is poisoned, what will we do?

Please contact Gov. Andrew Cuomo and ask him for a ban on fracking in New York State.

- Susan Chew

[The writer is the founder of New Yorkers for Clean Water.



Flashback

We keep our history alive by reprinting articles from past newsletters, minutes from past meetings, or other items of interest from the past. If you have items that might be appropriate for the Flashback column, please call Joy Robins at (718) 816-4128. The following appearing in the August 25, 2001 Staten Island Advance, amazingly topical today.

Democratic Assn. Speaks Out on the Issues of the Day By Daniel C. Kramer

The following essays are excerpts from position papers recently adopted by the Staten Island Democratic Association (SIDA), a lively 40-year-old political club. The papers cover disparate topics; but all are animated by the view that the United States must remain a society featured by fairness and true democracy as well as by material prosperity.

Paper 1 — Drug Addiction: A Criminal Justice or Public Health Problem?

New Mexico's Republican Gov. Gary E. Johnson recently pointed out that in 1980, the federal war-on drugs budget was about \$1 billion, with the states spending a comparable amount. "Yet," he continued, "according to the federal government's own research, drugs are cheaper, purer and more readily available than ever before. As a nation, we now have nearly half a million people behind bars on drug charges, more than the total prison population in all of Western Europe" (New York Times, Dec. 30, 2000).

Gov. Johnson is to be congratulated for recognizing that drug abuse is a public health issue rather than one of criminal justice. The attitude that a drug addict is a criminal can be traced to the late 19th and early 20th centuries. "Soldier's Disease"-widespread addiction following massive

administration of opiates during the Civil War – is the earliest and most often repeated example of a drug problem existing before narcotics laws were enacted.

The story exemplifies several basic themes used in support of continued drug prohibition—addiction is easy to acquire, hard to kick, and is a publicly noticed, i.e., a social problem. Soldier’s Disease, though, is a myth. Not one case of addiction was reported in medical records or the literature of the time. This myth was trotted out only after the Harrison Act made opiates illegal in 1914.

Illegal drugs present three different problems: addiction, trafficking in illegal substances, and the demand for their (especially marijuana’s) legalization for medical use. For addicts, there must be treatment for what is generally accepted to be a medical rather than a moral condition. Both the lowering of demand through successful treatment and the devaluing of their product through legalization will eventually put traffickers out of business.

Only research can determine if marijuana and other now-illegal drugs have legitimate medical uses. Thus, we call upon our elected officials on all levels of government to provide more funds to increase the number of treatment slots, improve treatment programs and support research into the medical benefits of controlled substances. Also, we support our lawmakers’ efforts to make our drug laws fairer. We need to lower sentences immediately and imprison fewer non-violent offenders. And we need to eliminate the social ills that lead people to seek relief in drugs.

Paper 2 — Retain the Federal Estate Tax

In 2001, the United States Congress, as part of a large tax cut package, passed a measure reducing the estate tax through 2009, repealing it entirely for 2010; and restoring it beginning 2011 to near the level that prevailed before President George W. Bush signed the tax cut package on June 7, 2001. The SIDA firmly believes that the estate tax is based on a sensible philosophy and thus ought to be retained.

The “estate” referred to in the estate tax laws is the property that a person leaves at his/her death. Actually only relatively few estates have ever paid it. This is due to the fact that even before the 2001 modifications, no tax was due if the value of the estate were less than \$675,000. Moreover, in determining the value of the estate for tax purposes, charitable contributions and all amounts going to a spouse are deducted. However, when the surviving spouse dies his/her estate will owe estate tax—assuming that his/her property is still worth more than the exempt amount.

The main reason that the estate tax ought to be kept on the books is that whatever the heirs or legatees receive is unearned income to them. Just about every other type of income one can receive is the result of her/his abilities or socially useful actions. Salaries, tips and income from a single proprietorship or partnership come from work that one has performed oneself. Interest is a reward for refraining from immediate consumption; while dividends are compensation for risk-taking and allowing one’s money to be put to uses that increase the nation’s capital stock.

A portion of all these deserved forms of income has to be paid to the government; and a fortiori an inheritance, i.e. a gain that is not due to one’s efforts, should also be taxed. Moreover, in the words of self-made millionaire, Andrew Carnegie, “The parent who leaves his son enormous wealth generally deadens the talents and energies of the son, and tempts him to lead a less useful and less worthy life than he otherwise would.”

Paper 3 — Reforming the Electoral College

As anyone who followed the election of 2000 knows, American presidential elections are ultimately decided not by popular vote, but by an institution known as the Electoral College. Under the Constitution, each state gets one vote in the Electoral College for each of its U.S. senators and one for each member of its U.S. House of Representatives delegation. In addition, the District of Columbia receives three electoral votes. There are now 538 votes in the Electoral College (including New York's figure of 31 beginning with the 2004 election). To become president, an individual must obtain an absolute majority of the Electoral College, i.e. 270 or more electoral votes.

For the following reasons, among others, the SIDA believes that the Electoral College is an outmoded institution.

1. The framers of the Constitution opted for the Electoral College because they distrusted the average person's ability to vote intelligently. This mistrust has no place today when the average American is well-educated and has access to mountains of political information.
2. As has happened four times in American history, including the Bush-Gore contest, the winner of the majority or plurality of the popular vote may see his/her opponent get the Electoral College majority and thus win the election.
3. The smallest states are disproportionately represented in the Electoral College because each state has two US senators regardless of its size. Ideally, therefore, the Electoral College ought to be abolished and the president chosen by popular vote—with a runoff between the two highest candidates if no candidate gets 40 percent on the first round. But a constitutional amendment to abolish it is for political reasons impossible to pass. Therefore, for practical purposes, the SIDA favors an amendment to the Constitution retaining the Electoral College, but extending to every state the rule for dividing the state's electoral votes that now prevails in Maine and Nebraska. In the other 48 states and the District of Columbia, the winner of even the narrowest plurality of the popular vote gets all the state's electoral votes. Under the Maine/Nebraska system, two electoral votes are automatically awarded to the popular vote winner in the state, but the others go to the popular vote winner in each of the state's U.S. House districts. This system, if adopted nationally, would make unlikely a situation wherein the popular-vote winner nationwide nonetheless loses the Electoral College and thus the presidency.



Medicare/Medicaid Position Paper

The Issues Committee made up of Richard Reichard, David Goldfarb, Bonnie Rothman, Susan Rappaport, Paul Scublinsky, Bob Dunne, Dennis Brown, and Loretta Prisco came up with the following paper on Medicare and Medicaid. Richard Reichard was the primary author with revisions made by the committee. The paper will be taken up for endorsement at the July 19 General Membership Meeting. To save space in the newsletter the bibliography and the footnotes are available on www.sidemsorg.

FOREWORD

“I come not to save Medicare but to bury it”

-Rich Reichard's satirical take on Paul Ryan's Medicare philosophy (with a bow to The Bard)

Broadly speaking, since the Great Depression our country has viewed itself as a national family. Just as we don't send our unemployed workers into a Dickensian market unsupported, we generally no longer send our sick, lame and old back home to fend for themselves with a loaf of bread, a bottle of water and a "Get Well Soon" card. In short, we decided 70 years ago that we would not abandon each other just because of fiscal hard times.

Medicare is a Democratic institution. Passed during the Johnson administration, it is a government insurance program that guarantees seniors financial access to quality healthcare in exchange for *affordable* premiums. The cost of the program is held low by a modest Medicare fee paid by a payroll tax. And it works!

Medicare now pays out more than it brings in. That has to be fixed. Most Americans love the program and want to save it with a few tweaks. Republicans hate Medicare, want to get rid of it altogether and see the fiscal problem as a means to that end.

The Republican problem, as noted, is that Americans love Medicare. To overcome this "minor" obstacle the GOP resorts to an old flim-flam that crashed and burned when tried by Coca-Cola: cheapen the product - keep the name - hope nobody notices.

That's what the Republicans' "Ryan Plan" is - a facetious scam to eliminate a popular program and substitute an inferior program under the same name - Medicare. Unlike real Medicare, the Ryan Plan does *not* pay for medical care. It gives seniors inadequate vouchers to partially pay premiums charged by private health care insurers -the same insurers who fill Republican coffers with political contributions.

Giving a senior, say, a \$6000 voucher toward a \$12,000 private insurance plan is a cruel joke. It will likely force that senior to forego insurance. The voucher cannot be used for anything else, and the senior will receive no benefit from this fraudulent scheme despite having paid Medicare taxes for many years. Perhaps worse, the Ryan plan will likely shift thrift-conscious seniors into low quality private plans, depriving some of needed care. (Perhaps the "Ryan Plan" should be called the "Dyin' Plan".)

As Democrats we cannot let that happen. This paper is drafted to fortify SIDA members and all caring people with an understanding of the issues and to express the association's position.

MEDICARE & MEDICAID HISTORY & INFORMATION

In 2009 the United States spent \$2.5 trillion on health care, which represented 17.6% of GDP. Of that amount Medicare spending (care for the elderly) accounted for 20% of total health care spending and Medicaid (care for the poorest) accounted for 15% of the total health care spending. By 2019 it is projected that the nation's health care spending will be 19.3% of GDP.

The effort to address these fiscal problems resulted in the Affordable Care Act of 2010 which provides a framework within which everyone in the nation is in the pool of the health insured and that such insurance remains affordable and cannot be denied to an individual because they actually get sick.

Our healthcare expenditures will continue to go up because Baby Boomers, the largest cohort in our population, are getting ready to retire and will use Medicare because seniors simply use more health care. Furthermore, the recession has thrown millions out of work, some for over a year, which means that many of them will also be needing and using government medical assistance. Dealing with these increases in expenses is the issue.

When added to our present recession debt there is little disagreement between Democrats and Republicans that the current and projected rate of growth in the costs of the Medicare and Medicaid will eventually overwhelm our ability to pay for other government programs. However while those requiring health care will continue to rise, refusing to alter our behavior or to consider global solutions to this natural increase in no way eliminates their illnesses nor our moral obligations to each other.

Since the Depression we have expanded our safety net to include not just unemployment support but healthcare support as well. The following is a brief history of our actions in this area, problems that arose subsequently, and where we ought to go from here.

Because we had increasing numbers of elderly and poor citizens unable to get health insurance burdening our states and embarrassing our citizens, the Social Security Act of 1965 was signed into law by President Johnson in 1965 creating Medicaid and Medicare Parts A and B.

Medicare Part A

Medicare coverage was intended for those 65 and over and in 1973 its benefits were extended to individuals under 65 with long-term disabilities. Initially it was funded by a .375% payroll tax collected from employers, employees and the self-employed. Over the ensuing years this tax and the income brackets paying it have increased slightly. It is used to fund the Medicare HI (Hospital Insurance) Trust Fund (Medicare Part A) which pays for inpatient hospital care, home health care, skilled nursing facilities and hospice care for the aged and disabled.

From 1966 through 1990 there was a maximum taxable salary for the HI payroll tax, but in 1991, 1992 and 1993 that maximum was increased, and in 1993 that maximum taxable salary cap was eliminated.

With the passage of the Patient Protection and Affordable Health Care Act of 2010 high income workers will pay an additional 0.9 percent of their earnings above \$200,000 (single) or \$250,00 (married) to fund HI.

However, the increasing use of these funds by Baby Boomers, is not a sustainable solution over time. “The financial status of the HI trust fund is substantially improved by the lower expenditures and additional tax revenues instituted by the Affordable Care Act. However the HI trust fund is now estimated to be exhausted in 2024, 5 years earlier than was shown in last year’s report, and the fund is not adequately financed over the next 10 years.”¹

Medicare Part B

Part B pays for physician and outpatient services and Part D covers prescription drugs. The Supplementary Medical Insurance (SMI) Trust Fund covers Part B and D. “Payments from the General Fund finance about 75 percent of SMI Part B and Part D costs, with most of the remaining costs covered by monthly premiums charged to enrollees.”² States paid about 7% of the cost of Part D in 2010 to compensate the federal government for assuming responsibility for paying the drug costs for those eligible for both Medicare and Medicaid.

Medicare Part C

Part C was created by the Balanced Budget Act of 1997 and established the Medicare+Choice program. Believing that marketplace competition could rein in costs, HMOs and other private health plans were offered to beneficiaries and for a short time they were able to stabilize costs.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 created something called the Medicare Advantage program that replaced Medicare+Choice.

These plans provide all Part A and B coverage. Most also provide part D, prescription drug coverage. For this, Medicare pays a fixed amount monthly from the HI and SMI trust funds for every beneficiary enrolled in a Medicare Advantage Plan. However, a June 2007 report by the Congressional Budget Office estimated that the average payment to Medicare Advantage plans was about 12 percent above the cost of traditional Medicare. Clearly, this was not a solution that reined in costs.

And to address this problem, the 2010 Affordable Health Care law will reduce payments to these Medicare Advantage plans by about 12% a year to bring their cost in line with traditional Medicare. Furthermore, the law also restricts the share of the premiums that Medicare Advantage firms can use for administrative expenses and profits.

Medicare Part D

The 2003 Medicare Prescription Drug, Improvement, and Modernization Act created Medicare Part D (prescription drugs). However, it left a huge gap in drug coverage for individuals and cost many seniors more than they could afford. This gap came to be known as the “donut hole.” Part D benefits went into effect on January 1, 2006, but the cost to seniors of that gap in coverage was so egregious that the 2010 Affordable Healthcare law was used to correct it by gradually eliminating it.

Medicaid

Medicaid provides coverage to the poorest of our citizens. However, Medicaid is not required to provide health care to all poor people -- only to those who fall under one of the groups established by federal statute. “Within broad national guidelines established by federal statutes, regulations, and policies, each state establishes its own eligibility standards; determines the type, amount, duration, and scope of services; sets the rate of payment for services; and administers its own program.”³ Therefore a person may be eligible in one state but not in another and medical services may be provided in one state but not another.

Medicaid is jointly funded by federal and state governments. The federal share, “...known as the Federal Medical Assistance Percentage (FMAP), is determined annually by a formula that compares the state's average per capita income level with the national income average. States with a higher per capita income level are reimbursed a smaller share of their costs. The FMAP cannot be lower than 50 percent or higher than 83 percent” of the state’s average per capita income.⁴

Beginning in 2014 under the Affordable Care Act, the federal government will provide additional Medicaid funding to the state to cover those up to 133% of the federal poverty level, including single adults and childless couples. “New York already provides coverage above the 133% level and provides coverage of single adults and childless couples to 100% of the federal poverty level”⁵ The New York State Assembly has estimated that the state will receive an additional \$1 billion in 2014.

Under Medicaid, states pay providers directly and are given broad discretion by the federal government on how and how much to pay providers. However, providers participating in Medicaid must accept Medicaid payment rates as payment in full.

In addition, states must make payments (called disproportionate share adjustments) to those hospitals that provide inpatient services to a disproportionate number of Medicaid, low-income

or uninsured persons. To address the rapidly growing costs to Medicaid in 1991, 1993 and 1997, legislation was passed to cap the federal government's share of these "disproportionate share payments." Legislation increased federal payments for 2001 and 2002 which increased cost to Medicaid for those years.

DISCUSSION OF PROPOSALS TO ADDRESS COSTS

Our health programs are under attack through the demographic changes brought about by an aging population followed by a much smaller cohort of workers, and by an economic downturn nearly as devastating as the Great Depression, compounded by a debt burden occasioned by two unfunded wars.

Proposals have been made to address Medicare and Medicaid by President Obama's Commission on Fiscal Responsibility and Reform; by former Senator Domenici's and Dr. Alice Rivlin's Debt Reduction Task Force; by Congressman Ryan's "A Roadmap for America's Future," which the Republicans voted to back; and by a speech President Obama delivered on a vision for America's fiscal future 4/13/2011.

The Republican Plan

Let us look at the most radical of proposals: Beginning in 2022 the Republican Plan would move Medicare from a defined benefit plan to a voucher plan, which they call "premium support." In addition, this plan would gradually raise the Medicare eligibility age to 67 by 2033. It would change Medicaid from a cost sharing program to a block grant program.

Under this plan senior citizens would use these vouchers to buy insurance through a health insurance exchange. However, according to the Congressional Budget Office (CBO) a 65 year-old becoming eligible for Medicare in 2022 would have to pay \$12,510, while under traditional Medicare the same 65 year-old would only have to pay \$6,150 in out-of-pocket expenses.

Clearly, the Republican plan to control federal expenses achieves this by eliminating our communal relationship, making seniors individual mendicants of the federal government and by transferring the bulk of health insurance costs to individuals. They shift Medicaid costs completely to the states. No federal effort is offered to make medical care more efficient or less expensive, and as we have seen during the 1980s and 1990s neither individual pressure nor the use of HMOs and private health plans were able to prevent an increase in costs.

Given the fact that most older citizens are unable to increase their income through work, it is unclear how the Republicans believe citizens will be able to make up this big deficit to purchase adequate insurance, and it pits elderly individuals against big insurance companies.

The CBO estimates that by 2022, under this plan, federal spending on Medicaid would be 35% lower than today and the amount of the federal block grant would generally not increase during times of economic downturns when Medicaid rolls may increase.

"Because of the magnitude of the reduction in federal Medicaid spending under the proposal, however, states would face significant challenges in achieving sufficient cost savings through efficiencies to mitigate the loss of federal funding. To maintain current service levels in the Medicaid program, states would probably need to consider additional changes, such as reducing their spending on other programs or raising additional revenues."⁶

The Republican plan achieves its main goal, which is to off load the amount of money spent by the federal government on healthcare for citizens. It does so simply by destroying the contract made during the Great Depression that we would view ourselves as a large national family.

The Debt Reduction Task Force

The Debt Reduction Task Force also has a premium support proposal that would allow beneficiaries beginning in 2018 to purchase health insurance through an insurance exchange. However their proposal would allow beneficiaries to choose traditional Medicare as one of their plans.

The Task Force has also proposed raising the Medicare Part B premium over 5 years from 25% to 35% of total program costs. In addition, to address long-term health care spending to treat obesity-related illnesses such as diabetes and heart disease which are dramatically increasing, the Task Force has proposed an excise tax on beverages sweetened with sugar or high-fructose syrup.

The Democratic Plan

The Democratic Medicare Plan builds on the Affordable Care Act of 2010 by strengthening the Independent Payment Advisory Board.

This Act gives the President the power to make appointments to the 15 member Board and to expand its powers to control costs. Thus, any recommended cuts by the Board would take effect automatically unless Congress voted to block or change them. However, the Board cannot propose cutting benefits or raising taxes or premiums. The Board's recommendations could not be reviewed by the Federal courts, and he would like to further strengthen the Board's cost-cutting powers should the growth of Medicare spending exceed certain goals.

The Affordable Care Act allows Medicare to pay more to hospitals that score well on a series of measures that gauge patient care and to pay less to those that don't hit the quality benchmarks, thus providing an incentive for hospitals to provide the highest care at the lowest cost. It establishes a pilot program to test "bundled payments": Medicare will pay doctors and hospitals a lump sum for all services in a course of treatment or an episode of care, which puts pressure on providers to be more efficient and to do a better job at the delivery of care.

The Affordable Care Act calls for the creation of accountable care organizations. These are networks of hospitals, doctors, rehabilitation centers and other providers that work together to cut duplicative tests and procedures, to prevent medical errors and to focus on keeping patients healthier and out of the ER.

The Affordable Care Act also improves and enhances prevention, detection and enforcement actions against fraud in Medicare, Medicaid and the Children's Health Insurance Program as well as in private insurance.

National Commission on Fiscal Responsibility and Reform

The National Commission on Fiscal Responsibility and Reform has proposed giving Medicare additional statutory authority and increased resources to combat fraud. They have also proposed instituting a combined Part A and B deductible of \$550 and a 20% co-payment above the deductible. After \$5,500, the deductible would be reduced to 5% and eliminated once health care spending hit \$7,500. Again, these suggestions are an effort to curb the rate of growth and to spread the costs between the individual and the government.

OUR POLICY POSITION

The Republican plan's supposed 'virtue' is its malign simplicity: it disposes of Medicare altogether and substitutes an inferior voucher program falsely cloaked in the label of "Medicare".

This parlor trick is not a tribute to the true Medicare as the program itself is relegated to the junk heap of history all the while continuing to call it Medicare in their public utterances: Now you see it, now you don't. It is a deceitful attempt to evade public outrage by hiding the truth. Why else would the GOP name the Ryan Plan after a quintessential Democratic achievement it so clearly abhors? If the Republicans like the Ryan Plan so much let them give it their own name. Like 'Insurancecompanycare.'"

Their plan throws the individual into an insurance market which has historically shown itself unable to provide health insurance at a cost affordable for most people and equally ineffective at curbing inefficiencies and/or fraud in the medical system. Such a plan makes no effort to improve delivery or outcomes in health care.

Furthermore, over time the Republican plan does nothing to control costs or fraud and transforms Medicaid to a block grant for the states; and it cannot help but become much more expensive. Moreover that expense will be born locally by citizens either through higher local taxes or through poorer communal health because it shifts that expense to the various states, which are much less able to cover those costs. Most damning is that it destroys the national commitment we have to protect each other in both good and bad economic times. It is a retrograde policy that undoes the moral commitment between the national government and the citizen.

Obama's plan, which is contained in the Affordable Care Act, aims to slow down the cost growth of medical care while maintaining the current level of coverage for Medicare and Medicaid patients. It expands coverage to citizens who are currently uninsured, among whom are the youngest and therefore healthiest members of our nation. Thus, the law maximizes the pool of people who will be insured, while at the same time squeezing out inefficiencies, duplicative care delivery, ineffective care etc. from the system as a totality.

The Club opposes any attempt to shift costs to beneficiaries, including raising the percentage of the Medicare Part B premium beneficiaries will be responsible for. On the other hand, the Club believes in personal responsibility and supports excise taxes on sugar or high-fructose corn syrup, tobacco and alcohol products -- all of which add to our society's health care costs -- because they are controllable by individuals and statistically or causally related to serious disease. Taxes should be dedicated to health care.

History shows us that leaving the individual to the mercy of the market without communal support as in the Republican plan actually raises the cost of health care in the long run, as well as the amount of sickness and death that we experience as a society. It isn't a solution to either providing healthcare or to keeping costs down. Over time this is not good for the individual, for businesses or for the nation, and it is not a moral stance.

The Staten Island Democratic Association presently supports the approach President Obama takes to address the Medicare and Medicaid cost issue. Choosing health care is not like choosing a new car: for some a brand new car is optional. For others, there are alternatives like a used car or a rented car for specific purposes. But health care insurance must be available to every member of a society, every day and at a reasonable level, because no one knows when they may become ill or what health calamity may befall them and because none of us is an island unto ourselves.



Mark Herman Picnic

As a public service we are announcing in the newsletter:

THE MARK HERMAN PICNIC



SUNDAY

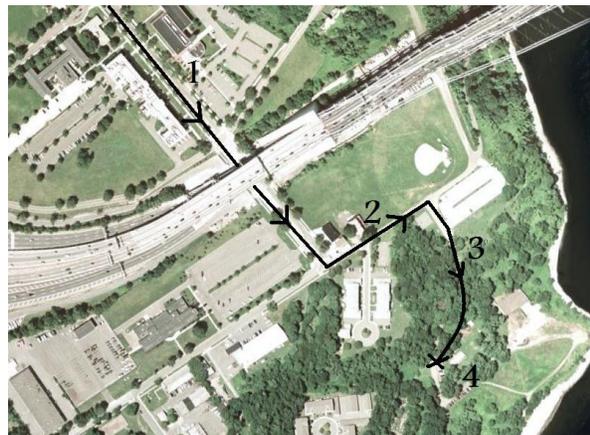
JULY 17, 2011

Noon to 6:00 P.M.

Fort Wadsworth Picnic Area

Directions

1. Take Bay Street into Fort Wadsworth; this becomes New York Avenue. Follow under the Expressway until it ends in Battery Road
2. Turn left onto Battery Road
3. Turn Right onto North Carolina Road. Go down the hill.
4. Park at the picnic area.



Upcoming Meetings

July 19, 2011	August 16, 2011
General Meeting Karl's Klipper, 40 Bay Street	General Meeting Karl's Klipper, 40 Bay Street
<ul style="list-style-type: none"> • Ajamu Sankofa on healthcare reform • Sen. Savino on proposed closing of the Arthur Kill Correctional Facility • Medicare/Medicaid Position Paper 	<ul style="list-style-type: none"> • TBA

It's Time to Join or Renew Your S.I.D.A. Membership!

To become a member, renew membership, or make a donation, call Tom Shcherbenko at (718) 420-0252, or complete and return the coupon. Voting privileges begin 45 days after joining.

✂

2011 DUES	DONATION
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_____ \$10 - Individual	_____ \$50
_____ \$5 - Senior, Student, Unemployed	_____ \$100
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