FRIDAY ALERT

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Medicare Drug Prices Have Soared at Ten Times the Rate of Inflation Since 2012

Prices for the 20-most prescribed brand name drugs for seniors have risen an average of 12% each year since 2012, according to a congressional report released Monday. That is nearly 10 times higher than the rate of inflation.

The minority staff of the Senate Homeland Security and Governmental Affairs Committee compiled the report over several years. Sen. **Claire McCaskill** (D-MO), the ranking member of the committee, oversaw its release.

Entitled, *Manufactured Crisis: How devastating drug price increases are harming America's seniors*, the report said the extreme price hikes show the need for further investigation to determine the "impact on health care system costs and financial burdens for the growing U.S. senior population."

The report examined the costs of the 20 most-prescribed drugs under the Medicare Part D program from 2012 to 2017. It found that Nitrostat, used to relieve chest pain, had increased the most, with a percentage change of 477%.

Twelve of the 20 drugs saw their prices increase by more than 50% over the five-year period and six had price increases of over 100%. Lantus/Lantus Solostar, Lyrica, Novolog, Premarin and Zetia were the other drugs that had increases of more than 100%.

“If we allowed Medicare to negotiate drug prices directly with the pharmaceutical companies, we would save tens of billions of dollars,” said **Robert Roach, Jr.**, President of the Alliance. “This really drives that point home.”

Brookings Institution: Costs to States of Expanding Medicaid are Low Compared to the Public’s Gains

Many Republicans have criticized the financial burden on the 32 states that have elected to expand Medicaid through the Affordable Care Act (ACA). However, a recent study by the Brookings Institution concluded that these claims are “overstated, misleading, and substantially inaccurate.”

The ACA covers 90% of the cost of Medicaid expansion for people with earnings at or under 138% of the federal poverty level, leaving states with only 10% of the cost. The study reviewed scholarly information and government spending data from each of the states that have expanded their Medicaid programs and found that because many Medicaid beneficiaries enrolled under federal funding, there was a decrease in state spending in several places, including Arkansas, Indiana, Kentucky, Louisiana, Michigan, Montana, New Mexico, Ohio, and West Virginia.

The GOP position stems from a claim that states had higher Medicaid enrollment numbers than they originally expected. This is only true for a few states and overlooks the several states where spending has decreased in the wake of Medicaid expansion.

The false claims about increased state spending have been circulated by conservative organizations such as the Foundation for Government Accountability. The organization’s leaders stated that “each and every state that opted into ObamaCare expansion is facing a surge in Medicaid enrollment far higher than ever anticipated.” However, this has been repeatedly disproved by states including Indiana, North Dakota, and Ohio, which have reported enrollment numbers that did not exceed their expectations.

“It is no surprise that Republicans are trying to discredit the success of Medicaid expansion,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. “When we are armed with the facts, we can continue to fight for the millions of Americans who are without access to basic health care.”

Immigration Policy Changes Will Likely Lead to a Shortage of Caregivers for Seniors

People living with disabilities, serious illness and the frailty of old age are bracing to lose caregivers due to changes in federal immigration policy, according to *Kaiser Health News*.

About 59,000 Haitians are living in the United States under Temporary Protected Status (TPS), a humanitarian program that gave them permission to work and live in the United States after the January 2010 earthquake devastated their country. Many work in health care as nursing assistants or home health aides.

Now these workers' days are numbered: The Trump administration decided to end TPS for Haitians, giving them until July 22, 2019, to leave the country or face deportation.

It is already difficult to find the right workers to care for seniors. The hours can include 12-hour shifts and the pay is often minimum wage. The work — which includes dressing and changing patients and lifting them out of bed — is often grueling.

Nationwide, 1 million immigrants work in direct care — as certified nursing assistants (CNAs), personal care attendants or home health aides — according to the Paraprofessional Healthcare Institute (PHI), a New York-based organization that studies the workforce. Immigrants make up one in four workers.

The country faces a severe shortage in home health aides. With 10,000 baby boomers turning 65 each day, an even more serious shortfall lies ahead. **Paul Osterman**, a professor at Massachusetts Institute of Technology's Sloan School of Management, predicts a national shortfall of 151,000 direct-care workers by 2030, a gap that will grow to 355,000 by 2040. That shortage will escalate if immigrant workers lose work permits, or if other industries raise wages and lure away direct-care workers.

PHI calculates there are 34,600 direct-care workers who are non-U.S. citizens from Haiti, El Salvador, Nicaragua, for which TPS is ending next year, and Honduras, whose TPS designation expires this July. In addition, another 11,000 come from countries affected by Trump's travel ban, primarily from Somalia and Iran, and about 69,800 are non-U.S. citizens from Mexico. If demand for workers exceeds supply, insurers could restrict the number of hours of care that people receive.

“We need policies that allow seniors who wish to remain in their homes to do so,” said **Richard Fiesta**, Executive Director of the Alliance. “The same humane policies that help many immigrant caregivers stay in America also allow more older Americans to age in place.”

ProPublica: **IBM Severely Mistreated its Older Employees**

Propublica reports that IBM’s human resources policies hit its most senior employees the hardest and flouted rules against age bias. The company has cut tens of thousands of U.S. workers, slashing its U.S. workforce by as much as three-quarters from its 1980s peak. A substantial share were replaced by younger, less-experienced and lower-paid workers, and many positions were sent overseas.

ProPublica estimates that in the past five years alone, IBM has eliminated more than 20,000 American employees ages 40 and over, about 60 percent of its estimated total U.S. job cuts during those years.

In making these cuts, IBM has “flouted or outflanked” U.S. laws and regulations intended to protect later-career workers from age discrimination, according to a review. Among the findings, IBM denied older workers information the law says they need in order to decide whether they’ve been victims of age bias, and required them to sign away the right to go to court or join with others to seek redress.

ProPublica found that the company targeted people for layoffs and firings with techniques that “tilted against older workers” even when they were considered high performers. In some instances, the money saved from the departures went toward hiring young replacements.

Other conclusions were that IBM:

- Converted job cuts into retirements and took steps to boost resignations and firings. This reduced the number of employees counted as layoffs, which can trigger public disclosure requirements if the numbers are high;
- Encouraged employees targeted for layoffs to apply for other IBM positions, while quietly advising managers not to hire them; and
- Told some older employees being laid off that their skills were out of date, but then brought them back as contract workers, often for the same work, at lower pay and with fewer benefits.
