



## **LEGISLATIVE AGENDA FOR THE 111TH CONGRESS (2009-2010)**

### **SOCIAL SECURITY**

The National Committee's top priority is to preserve the social insurance nature of Social Security while strengthening the program and ensuring its long-term solvency. Social Security is one of our nation's most important and effective income security programs for Americans of all ages, and its fiscal outlook remains strong for decades to come.

Contrary to the political rhetoric, Social Security is not in crisis. According to the Social Security Trustees, Social Security will have sufficient funds to pay full benefits through the year 2041. The Congressional Budget Office projects that full benefits can be paid through 2049. No other federal program is subject to such strict, long-term spending restrictions and oversight. The Social Security Trustees report every year on the income and outgo of the fund over a 75-year period. Over the next 75 years, Social Security has a funding gap, but that gap is both modest and manageable. Even if no changes at all were made in Social Security, which we do not anticipate, incoming revenues after 2041 would be sufficient to finance 78 percent of benefits.

Social Security's financial condition has not deteriorated as a result of the economic downturn and Social Security is placing no additional burden on the economy or the long-term budget. In fact, unlike virtually any other program, Social Security is generating a surplus which masks the true size of the federal deficit and helps fund the massive economic recovery measures enacted to reverse the current recession.

The manageable demographics of the baby boom generation have not changed as the recession has deepened. According to the 2008 report of the Social Security Trustees, Social Security expenditures currently represent only 4.3 percent of Gross Domestic Product (GDP), will grow to only 6.1 percent of GDP by 2035, and will level off at 5.8 percent by 2048. While these are annual projections, they are unlikely to change significantly in the future. The only thing that has changed is the introduction of new, unfounded political rhetoric linking the economic meltdown to the false notion of an entitlement crisis.

The National Committee to Preserve Social Security and Medicare strongly opposes reducing Social Security benefits or cutting Medicare in order to balance the federal budget, whether it is for the short-term, mid-term or long-term. Social Security is funded by a dedicated payroll tax and represents the bedrock retirement income of nearly every American. The average benefit is only about \$13,000 a year. For new retirees, Social Security benefits are already being reduced by the phased increase in the retirement age that affects everyone born after 1937. Social Security is the only source of retirement

income for nearly 20 percent of retirees and represents over one-half of the income of nearly two-thirds of beneficiaries. With traditional pensions disappearing, home prices plummeting and the stock market becoming increasingly volatile, future generations are likely to be even more reliant on Social Security for the foundation of their retirement.

There is no logic to the notion that we should provide immediate economic relief to help millions of Americans weather this current economic crisis while also urging cuts to the very programs which have provided so many seniors and their families their only economic stability during this very scary time. Large cuts in Social Security based on the unfounded rhetoric of an “entitlement crisis” will do unnecessary harm to generations of retirees. Social Security needs to be adjusted modestly to reach solvency, but that is a manageable task.

Several Members of Congress are pressing for enactment of an entitlement commission or task force to address Social Security’s finances. The National Committee believes that their proposals contain fundamental flaws. Under these proposals, a very small group of legislators and administration officials would design legislation to address issues affecting Social Security, Medicare and Medicaid along with federal taxes. The legislation would then be fast-tracked through Congress on a limited time schedule with no opportunity for amendment. This runs counter to the call by the Administration for transparency and participation by the American public in policy decisions. Enacting restrictive timelines and prohibiting amendments to push through changes of this importance to millions of Americans, especially senior Americans, ultimately disenfranchises the public and hurts the political process.

Social Security and Medicare are distinct programs with unique challenges and solutions. Less than 20 percent of the combined shortfall projected in Medicare and Social Security over the next 75 years is in the Social Security program. While combining these programs under the “entitlement” umbrella helps create a sense of crisis, this approach offers nothing meaningful toward finding real policy solutions. The move to create an “entitlement” commission suffers from the same flawed premise. The challenges facing Social Security and Medicare cannot be handled with a one-size-fits-all approach.

America does not face an entitlement crisis; it faces a health care financing problem. According to the Congressional Budget Office (CBO), the rate at which health care costs grow relative to national income—rather than the aging of the population—is the most important determinant of future federal Medicare and Medicaid spending. In fact, based on projections by CBO, if every entitlement in the federal budget were repealed outright – eliminating Social Security, Medicare, Medicaid and other critical programs – but nothing were done to slow the growth in health care costs overall, we would still find ourselves spending almost 70 percent of the nation’s wealth on health care by 2082.

Social Security and Medicare are needed now more than ever. The current economic meltdown has reinforced the importance of Social Security as the basic foundation for retirement. The collapse of investment savings and the sharp decline in housing values have significantly reduced the retirement security of millions of Americans. Social Security was created in times much like today to provide Americans with a foundation of security they could count on in old age. Surely, the lesson of the current financial crisis is not that we should reduce the protections of America’s most successful retirement

security program. Nor is the lesson that we should cut health benefits for those over 65 when health coverage for all Americans has emerged as an achievable goal.

### **The National Committee Supports Strengthening Social Security by:**

- **Opposing any cuts in Social Security benefits that would reduce essential income for the elderly now or in the future.** The recent economic downturn has reinforced the importance of Social Security as a foundation of retirement security. While the value of market-based pensions and retirement savings has plunged, Social Security has remained constant by spreading the risks of retirement over both time and large groups of people. For many of today's retirees, Social Security has provided their only stable economic security during these difficult times.
- **Opposing any entitlement commission or task force that focuses on the budget and not the needs of current or future generations of older Americans.** Several entitlement commissions have been proposed based on the faulty notion that Social Security is responsible for a long-term fiscal crisis. We oppose entitlement commissions that fast-track legislation through Congress with no opportunity for amendment or otherwise deny Americans open participation in important decisions affecting their future economic security.

## **MEDICARE**

Together with Social Security, Medicare forms the bedrock of economic security for today's seniors and for tomorrow's retirees. Prior to Medicare, one-half of America's seniors had no health insurance. Today, Medicare is critical in providing basic, universal and affordable health insurance for those over age 65 and for people with disabilities. Almost one-half of elderly households have incomes under \$20,000, and they are spending one-third of their incomes on health care, even with Medicare coverage.

The National Committee supports proposals to strengthen the traditional fee-for-service Medicare program. Medicare programs that are run by private insurance companies undermine the traditional program, and increase costs to beneficiaries and the federal government without providing commensurate value. For these reasons, the National Committee is advocating for substantial reform of the Part C Medicare Advantage and the Part D prescription drug programs.

### **The National Committee Supports Strengthening Traditional Medicare by:**

- **Leveling the playing field between traditional Medicare and private Medicare Advantage plans.** Private plans should be paid at the same rate that the traditional Medicare program is paid for covering beneficiaries. However, due to provisions of the Medicare Modernization Act of 2003 (MMA), private Medicare Advantage plans are now paid an average of 14 percent more than traditional Medicare. Inflated payments to Medicare Advantage plans, which amount to \$15 billion a year, are funded by all taxpayers and all Medicare beneficiaries, not just the 20 percent of Medicare beneficiaries enrolled in private plans. Equalizing Medicare payments would save about \$169 billion over ten years, reduce Medicare Part B premiums by over \$75.00 a year per couple and bring an additional 18 months of solvency to the Medicare hospital trust fund.

- **Combating waste, fraud, and abuse in Medicare.** Medicare covers services provided by hundreds of thousands of providers across the nation. No other health insurer covers services through so many providers. It is critical that adequate funding be provided to ensure effective administration of this coverage for the stability of the program and to reduce costs.
- **Repealing the 45 percent cap on general revenue funding for Medicare.** The Medicare Modernization Act imposed a completely arbitrary cap of 45 percent on general revenue financing of the Medicare program, and created a fast-track process to facilitate enactment of program cuts. This proposal would prevent consideration of all potential solutions to the program's long-term shortfall and ignores Medicare's financing structure. The Medicare "trigger" has been suspended for the duration of the 111<sup>th</sup> Congress, but it should be permanently repealed to help protect Medicare from arbitrary budget cuts.
- **Preventing the 2010 comparative cost adjustment demonstration from taking effect.** The Medicare Modernization Act established a "premium support" demonstration project that would require traditional fee-for-service Medicare to compete, based on cost, with heavily-subsidized private plans in certain areas. This would severely undermine traditional Medicare by leading to dramatically varying Part B premium amounts based on where a senior happens to reside. Healthier seniors may do better in such a system for a time, but older, sicker seniors are more likely to remain in traditional Medicare, where it is inevitable that they will end up paying higher Part B premiums than beneficiaries who are not in comparative cost adjustment areas.
- **Repealing the means-testing of Part B premiums.** Medicare beneficiaries with incomes above certain levels are paying higher Part B premiums due to passage of the Medicare Modernization Act. These premiums range from 35 to 80 percent of the average per beneficiary cost, which translates into premiums that are double or triple the standard premium amount. Means-testing undermines the social insurance nature of the Medicare program and could lead to increased costs for middle- and lower-income seniors if higher-income seniors, who are often younger and healthier, are driven away by increased cost-sharing. It also raises premiums for those who have paid the most into the program through Medicare payroll taxes, and harms seniors and their families by disregarding their financial obligations.

**The National Committee Supports Reforming Privatized Medicare – the Part C Medicare Advantage Program – by:**

- **Protecting beneficiaries requiring health care services such as skilled nursing and home health care from higher cost-sharing than is required in traditional Medicare.** Beneficiaries with high health care needs may end up paying substantially more for some services in Medicare Advantage than in traditional Medicare even though the private plans are actuarially equivalent to Parts A and B. This happens when private plans offer reduced cost-sharing for some lower-cost benefits, such as doctor visits, but increased cost-sharing for services such home health care, which does not have a co-payment in traditional Medicare.

- **Simplifying/standardizing plans' benefit packages.** In choosing among MA plans and prescription drug plans, beneficiaries face a complex and confusing array of choices. It is extremely difficult to assess which plans offer the best value, and some plans impose excessive cost-sharing for beneficiaries needing coverage for serious conditions. If private plans are to offer meaningful coverage options, the benefit offerings should be standardized and simplified so cost sharing requirements do not discriminate against beneficiaries needing certain kinds of treatment.
- **Assuring plan accountability through public reporting of performance data.** Currently, much of the data collected by CMS on plan performance is not made available to the public. Until recently, it was not available to Congress either, even in aggregate form. If there is to be market competition between plans based on their ability to effectively cover care, it is important that plan-level data be made available to the public. This data should include the percentage of claims denied, the proportion of claims appealed, the outcome of appeals, and a description of the grievances filed for each plan.

### **The National Committee Supports Reforming Privatized Medicare – the Part D Prescription Drug Program – by:**

- **Creating a Medicare-operated prescription drug benefit.** A Medicare-operated drug benefit would offer the dual benefit of simplifying and standardizing the coverage provided by the program. Overall, traditional Medicare achieves administrative efficiencies not matched by private plans. Extending this efficiency to the Part D program will save taxpayer dollars.
- **Requiring the federal government to negotiate drug prices.** The federal government should be required to use leverage through negotiating in bulk to lower drugs prices for the Part D program. States currently use this leverage to negotiate lower prices for their health care programs, as does the Department of Veterans Affairs. It would be easiest to achieve effective price negotiation under a Medicare-operated drug benefit, but there are a number of alternatives by which CMS could effectively lower prices for private plans as well.
- **Eliminating the donut hole.** The Part D coverage gap – or “donut hole” – puts beneficiaries with the most serious treatment needs at serious financial risk. Studies have shown that these vulnerable beneficiaries are more likely to forgo needed treatments because of the additional costs. The coverage gap was included in the legislation establishing the program to reduce long-term estimates of the cost of the program, but it makes little sense in benefit design. Savings obtained through government price negotiation should be used to fill in this donut hole.
- **Prohibiting Part D plans from making mid-year changes in their formularies and prior authorization rules.** Currently, Part D plans may change the list of drugs they will cover, or formulary, throughout the year. Beneficiaries, however, can only change their plans once a year during the annual enrollment period. This means that beneficiaries must sign up for a plan without the assurance that all the drugs they may need will be covered. This is poor benefit design that should be rectified.

- **Reforming the Part D exceptions and appeals process.** The current exceptions and appeals process does not work well. It is confusing to determine when a plan has made a decision that can be appealed, and the results of one beneficiary's appeal are often not applied to other beneficiaries with similar clinical circumstances. Plans should be required to have more regular and transparent processes that are implemented in a timely and reliable manner.
- **Increasing the asset limits for the low-income subsidy (LIS).** Currently, asset limits for the low-income subsidy under Part D are too low, requiring seniors to sell assets in order to get assistance, leaving them financially vulnerable. To receive assistance, an individual today must have assets valued at no more than \$11,990 and couples may have no more than \$23,970. These limits should be substantially raised or eliminated.
- **Counting drug expenses including those under Aids Drug Assistance Programs (ADAP) and the Indian Health Service toward true out-of-pocket (TrOOP) costs needed to reach catastrophic coverage.** It is important that assistance provided by public health programs targeting the indigent be counted toward getting beneficiaries out of the donut hole.

**The National Committee Supports Enhancing Medicare Benefits by:**

- **Enacting a catastrophic out-of-pocket limit for spending in traditional Medicare.** Unlike many private insurance plans, there is no annual cap on out-of-pocket spending in the Medicare program. Some beneficiaries who use many services receive help with high cost sharing because they have supplemental coverage – retiree health benefits, Medigap policies they have purchased, or Medicaid. However, even with supplemental coverage beneficiaries paid about 16 percent of their income for care in 2005; those without supplemental coverage paid about 30 percent.
- **Eliminating copayments for preventive services and improving vision, dental, and hearing benefits.** Elimination of copayments for preventive services will encourage seniors to maintain a routine schedule of physician visits, identifying health issues while they are manageable and reducing costs. Routine dental, vision, and hearing services are very important to older adults and should be covered more extensively.
- **Adding a chronic care coordination benefit.** Care coordination should be added as a service available to older adults with complex chronic conditions, disabilities, or dementia. Care coordination can improve the quality of and access to health care for older adults and may reduce costs by helping to prevent unnecessary hospitalizations.
- **Eliminating the three-day prior hospitalization requirement for skilled nursing facility (SNF) eligibility or, as a first step, requiring that all time in the hospital be counted toward the three days – whether or not the individual is actually admitted to the hospital.** The current requirement imposes significant costs on seniors who require nursing home care after a hospitalization.

## **MEDICARE AND HEALTH CARE REFORM**

The Medicare program is an important partner in health care reform efforts as it is the single largest purchaser of health care in our country. Health care reform efforts that slow the rate of increase in health spending, coupled with reforms that improve the quality of care being provided, are important for Medicare beneficiaries and the financial solvency of the Medicare program. Achieving universal coverage and getting the most value for our health care dollars are the goals of health care reform. Medicare has important contributions to make in expanding health insurance coverage and in driving system-wide improvements in the financing and delivery of health care services.

#### **The National Committee Supports Expanding Coverage by:**

- **Phasing out by 2017 the 24-month Medicare waiting period for all disabled beneficiaries and immediately repealing the waiting period for persons with life threatening conditions.** Most Disability Insurance (DI) beneficiaries must satisfy a two-year waiting period before they are eligible for Medicare coverage. As a result, an estimated 400,000 disabled beneficiaries are without health insurance and many more are underinsured at a time in their lives when their need for health coverage is most dire. The waiting period was instituted without a policy rationale and remains an unjustified feature of the Medicare law. It should be eliminated.
- **Providing a government-operated public plan option for those who are currently uninsured.** An important goal of health care reform is to achieve universal coverage as a crucial first step toward improving access to high-quality, efficient care and controlling the rate of increase in health spending. All Americans should have the option of buying a government-run health insurance plan which could be based on Medicare, and Medicare's benefits should be enhanced to match those of a public plan for younger Americans.
- **Exploring the option of providing people age 55-65 with the option of buying into Medicare at an affordable price.** Older Americans who are not yet eligible for Medicare often have a difficult time finding affordable health care and may find that no insurer will cover them at a time in their life when the most need health insurance protection. Many support allowing these older adults to buy-into Medicare because access to health care results in beneficiaries who are healthier than those without insurance when they become eligible for Medicare, ultimately reducing costs for the program. The National Committee believes this option should be explored further.

#### **The National Committee Supports Improving Health Care Financing and Delivery by:**

- **Reforming provider payments.** Since 1998, the Sustainable Growth Rate (SGR) formula has been used by Medicare to determine procedure fees for physicians and other practitioners under the Part B program. There is widespread agreement that this system is inadequate and needs to be replaced. It is crucial that measures to enhance cost-efficiency and quality be included in any restructuring of the payment system – to slow excess cost growth in the Medicare program, protect the economic security of seniors, and ensure that Medicare is purchasing the best services available.
- **Supporting an investment in comparative effectiveness research.** Better information about treatment options, coupled with incentives for doctors and patients

to use the information and change their behaviors, could slow the rate of health care inflation over the long term and improve the quality of care patients receive. An expanded investment by both the public and private sectors in comparative effectiveness research, which includes older Americans, is needed now because it will take time to achieve results that can be put into practice.

- **Expanding the use of health information technology.** The U.S. healthcare system uses relatively little computer technology to support clinical services. There is tremendous potential to improve the quality of care provided and achieve substantial savings throughout the system if the use of computers – or “health information technology” (HIT) – is expanded. These benefits would pertain to Medicare as well, and Medicare’s role as a national standard setter for the larger system offers an opportunity to speed the adoption of this technology.

## **COST-OF-LIVING ADJUSTMENTS AND MEDICARE PREMIUMS**

Social Security is one of the few retirement programs which helps seniors keep pace with inflation through the use of annual Cost-of-Living Adjustments (COLAs). COLAs are calculated on the basis of general inflation, which has been outpaced by inflation in the health sector for many years. As a result, Medicare premiums have been rising faster than Social Security benefits, thus eroding the ability of seniors to keep up with other increases in costs. While current law prevents net decreases in Social Security benefits resulting from increases in Part B premiums, it allows rising Part B premiums to consume a beneficiary’s entire Social Security COLA. In addition, there is no such “hold-harmless” protection constraining the Part D premium, setting up a situation where seniors can lose ground each year as premiums for Part D increase at the rate of prescription drug cost inflation.

**For these reasons, the National Committee Supports:**

- **Creating a new consumer price index that more accurately reflects the inflation rate of consumer spending among seniors.**
- **Limiting cost increases in both Part B and Part D combined to no more than 25 percent of the Social Security COLA, or at a minimum, establishing “hold-harmless” protection for Medicare Part D which prohibits rising premiums from reducing Social Security benefits by more than the amount of the COLA.**

## **OLDER AMERICANS ACT**

Older Americans Act (OAA) programs provide assistance at the local, hands-on level that helps older Americans fulfill the desire we all share – to be able to remain as independent and productive as possible in our own homes and communities as we age. Older Americans Act (OAA) programs include congregate and home-delivered meals (Meals-on Wheels), senior centers, transportation, legal services, elder abuse prevention, senior employment and support for family caregivers. These programs have lost ground over the past 20 years due to our rapidly increasing frail, older population, those most in need of services, and relatively level federal funding that has not kept pace with inflation. Eligible seniors face waiting periods for some services in most states.

### **For these reasons, the National Committee Supports:**

- **Increasing funding for Older Americans Act programs.** The National Committee supports substantial, across-the-board increases in federal funding, beginning with at least 12 percent in FY 2010, for OAA programs. These funds are necessary to meet the needs of our aging population, both the rapidly increasing frail, older population who are most in need of services and the 77 million baby boomers who are reaching retirement age. In addition, we need to make up for past years when federal funding has not kept pace with inflation, leading to cuts in OAA services, and to keep pace with inflation going forward.

## **MEDICAID AND LONG-TERM CARE SERVICES AND SUPPORTS**

Nearly 13 million Americans, the majority of whom are senior citizens, rely on long-term care services and supports to assist them with activities of daily living such as eating, dressing, and toileting. As our country lacks a comprehensive approach to financing long-term care services and supports, many individuals forgo needed assistance or turn to unpaid help from family, friends, and neighbors, imposing significant costs on society.

Currently, Medicaid is a crucial source of long-term care financing, providing 40 percent of national spending for nursing home care and home- and community-based long-term care services. Aside from Medicaid beneficiaries, few people have long-term care insurance, as only 15 percent of adults have private insurance that covers this care. Yet, a majority of individuals will have at least \$25,000 in costs during their lifetime for these services. Medicaid provides a safety net for individuals, but only after they have depleted their life savings. As the baby boom generation ages, the rising demand for long-term care will increase and will continue to strain families and the Medicaid program.

### **For these reasons, the National Committee Supports:**

- **Creating a comprehensive social insurance system to help pay for long-term care services and supports for Americans with significant functional limitations.**
- **Standardizing long-term care insurance policies.**
- **Eliminating the “institutional bias” in Medicaid so that more people needing long-term care services can receive them where they want to be – in their own homes – rather than in nursing homes.**
- **Maintaining federal matching support for state Medicaid programs.**

## **PENSIONS**

Social Security is the foundation upon which retirement security is based. Today, two out of every three retirees receive more than one-half of their income from Social Security, and Social Security represents the only source of income for one in five retirees. However, Social Security benefits were never intended to provide all of the income necessary for a secure retirement; employer-provided pension plans, along with personal savings, were always expected to play an important role.

Participation in a retirement plan is an essential step in ensuring adequate financial resources for retirement. Retirees' receipt of pension income significantly affects their ability to maintain a standard of living similar to that of their pre-retirement years. Unfortunately, today's workers do not appear to be adequately preparing for their retirement years despite billions of dollars in tax incentives provided each year by the federal government. About one-half of our nation's employees work for employers who do not offer any type of retirement plan.

The employers who do offer plans have increasingly shifted from guaranteed defined-benefit plans to less stable defined-contribution plans, such as 401(k) plans, which leave employee retirement savings vulnerable to the volatility of the stock market. Where workers do have access to defined-contribution plans, overall participation rates are low. Even when workers participate in their plans, stagnant wages, frequent job changes and recent market downturns make it difficult to accumulate meaningful account balances.

This is particularly true for women who enter their retirement years with fewer resources and with longer life expectancies. A substantial gender gap in employer-provided pensions exists. Among seniors, women are only about two-thirds as likely to receive income from pensions compared to men. This is largely attributable to the characteristics of women in the labor force: women spend fewer years in the workforce, are more likely to work in part-time employment, and historically earn less than their male counterparts.

Moreover, the current financial crisis has exacerbated the problem of inadequate employer-provided pensions. As a result of the financial meltdown, Americans' retirement savings have been demolished, wiping out \$2 trillion — or about 20 percent of value — in the past 15 months. On average, American workers lost 27 percent of their 401(k) retirement savings over that same period. Subsequently, one in five workers 45 and older has stopped putting money into a 401(k), IRA or other retirement savings account during the past year.

The inadequacy of workers' retirement savings is a primary reason the National Committee believes it is critical to strengthen Social Security and Medicare, in order to provide a stable foundation for workers' retirement. In addition, we believe it is important to make every effort to reverse the erosion of defined-benefit pension coverage and increase protections for workers participating in defined-contribution pension plans.

**For these reasons, the National Committee Supports:**

- **Closing the gender gap in pension coverage and assets by expanding coverage of part-time workers, encouraging more employers to offer pension plans, requiring employers to allow employees to vest in pension plans more quickly, and protecting women's retirement income from other sources.**
- **Increasing the prevalence of federally-insured defined-benefit pension plans and instituting safeguards for defined-contribution pensions.**
- **Promoting reforms that enhance coverage, participation and pension protection.**

**GOVERNMENT PENSION OFFSET (GPO) AND WINDFALL ELIMINATION PROVISION (WEP)**

Federal, state and local workers receiving retirement or disability benefits from government employment that was not covered by Social Security often are eligible for Social Security based on their own or a spouse's employment. In 1977 and 1983, Congress enacted legislation reducing Social Security benefits to such individuals through the WEP and the GPO, respectively.

The GPO unfairly reduces the Social Security spousal and survivor benefits of government employees who earned pensions under a system not covered by Social Security. The WEP reduces the earned Social Security benefits of individuals who also receive a public pension from a job not covered by Social Security. It diminishes the promised protection of low-income earners by its universal application to any annuitant with less than thirty years of substantial Social Security earnings.

The National Committee believes the offsets imposed by the GPO and WEP unfairly penalize government workers. Moreover, the GPO and WEP have an impact far beyond those states in which public employees are not covered by Social Security. Because people move from state to state, there are affected individuals everywhere. Moreover, the number of people impacted across the country is growing as more people reach retirement age. Currently, the GPO affects approximately 464,500 individuals, and the WEP affects about one million individuals. The GPO and WEP have had a devastating effect on the retirement incomes of many federal, state and local government retirees.

**For these reasons, the National Committee Supports:**

- **Repealing the GPO and the WEP or, at a minimum, modifying the provisions to alleviate their severity.**

## **VETERANS**

Congress and the nation must pay careful attention to the retirement needs of those who serve in the military. The National Committee continues to advocate for improved health care, disability and retirement benefits for our nation's veterans and military retirees. Veterans' benefits and military retiree health care should not be required to compete for funding with other defense programs, but should be guaranteed as earned rewards for service to our country. While we understand that health care costs are on the rise, our nation's military retirees have given much to this country and deserve fair treatment.

**For these reasons, the National Committee Supports:**

- **Ensuring that needed funding is authorized and appropriated for Veterans Administration health care so the system can properly fulfill its obligation for all the nation's sick and disabled veterans.**
- **Allowing all eligible, disabled military retirees to receive their full military retirement pay and full disability compensation without offset ("Concurrent Receipt").**
- **Authorizing and implementing the mandatory funding of veterans health care to ensure sufficient funding on a regular and timely basis.**

- **Expanding health care alternatives such as the Federal Employees Health Benefits Program (FEHBP) as options for elderly veterans.**

## **SOCIAL SECURITY ADMINISTRATIVE BUDGET**

The budget request for the Social Security Administration (SSA) covers the cost of administering Social Security programs, including the Old-Age, Survivors, and Disability Insurance programs and the Supplemental Security Income (SSI) program. Together these programs provide benefits for approximately 50 million Americans. Due to budget constraints in recent years, the amount of administrative funding the Social Security Administration (SSA) has received has been significantly below the level necessary to keep up with the agency's workloads.

As a result of insufficient resources, the Social Security Administration currently faces several significant challenges. Chief among them is a disability claims crisis. Currently, over three-quarters of a million individuals are waiting for a hearing decision, and the average wait remains over 500 days. SSA is also struggling under the burden of additional workloads stemming from the Medicare prescription drug law and the unrelated and underfunded workload caused by the implementation of the immigration employment verification program.

SSA is facing these challenges while near its lowest staffing levels in 35 years as demand for services has also significantly increased with the retirement of the first wave of approximately 80 million baby boomers. Without additional funding, service delivery to senior citizens, people with disabilities and others who rely on Social Security will continue to erode and SSA's infrastructure will continue to deteriorate. The National Committee believes it is particularly inappropriate for SSA not to have the resources it needs to improve service delivery because the Social Security Trust Funds finance a significant portion of SSA's administrative budget.

**For these reasons, the National Committee Supports:**

- **Increasing administrative funds for the Social Security Administration so that SSA can effectively serve the people who depend on its important programs.**

*Legislative Agenda for the 111<sup>th</sup> Congress ♦ Published February 2009*

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