



# MONDAY ALERT

New York State Alliance *for* Retired Americans

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December 30, 2024

## **2025: A Year of Old Threats and New Opportunities**

By Julie Carter and our Friends at Medicare Rights

As 2024 winds down, our sights turn to 2025, which will see a new Congress and administration. Below, are outlined several key threats and opportunities in the new year.

### **The Threats**

#### ***Caps and Cuts***

Medicare, Medicaid, and the [Affordable Care Act \(ACA\)](#) are deeply interconnected. Program cuts, limitations of eligibility, or barriers to care have widespread ripple effects. For example, [cutting or capping Medicaid](#) harms enrollees directly through loss of coverage and also affects the health care workforce, families, and taxpayer pocketbooks. In addition, cuts to Medicaid or ACA coverage at the federal level can overburden states that pick up the slack and lead to people going without care entirely, at the expense of their health and financial security.

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Some cuts come disguised as program reforms. [Work requirements](#) or increasing the frequency of redeterminations, for example, do not directly impair Medicaid funding, but [do kick people out of the program](#), most often people who are still eligible but who are struggling to meet or certify new, bureaucratic requirements.

We will be fighting against these cuts and caps. In Medicare, this includes ideas that limit eligibility and burden beneficiaries like [raising the eligibility age](#), increasing [means testing](#), allowing [private contracting](#), and moving to [premium support or voucher programs](#).

### ***Medicare Advantage (MA) Overpayment***

#### ***[As enrollment in MA](#)***

[surges](#), [researchers](#) and [advocates](#) know that MA overpayment is severely harming Medicare's financial situation. But that hasn't stopped some from trying to increase enrollment even more and boost profits in a market increasingly dominated by a handful of national plans.

Medicare Rights will continue to educate and inform policymakers, partners, and taxpayers about the risks of MA overpayment, as well as advocate for more accurate payments and a more sustainable system.

### ***Legislative Reversals***

The Inflation Reduction Act (IRA) made many important changes to Medicare coverage including creating an [out-of-pocket cap on Part D spending](#) and [eliminating cost-sharing for recommended vaccines](#). The most politically eye-

catching, and the one likely to be at most risk, is the new drug price negotiation program that [will save people with Medicare billions of dollars in the coming years](#). We will work to protect and build upon these gains to further improve prescription drug affordability.

## **The Opportunities**

### ***Coverage Expansions***

Over the last several years, members of Congress have become more aware of gaps in Medicare's coverage, especially for vision, hearing, and dental care, as well as mental health and substance use disorder care. We will continue to push for coverage expansions, an out-of-pocket cap in Original Medicare, and [parity between behavioral health and physical health coverage](#) in Medicare.

### ***MA Abuses***

Many on Capitol Hill have known about or are newly aware of MA plan exploits like [network inadequacy and ghost networks](#), [marketing](#), [denials](#) and [prior authorization abuses](#), and [upcoding](#). As lawmakers search for areas of bipartisan agreement, they may turn to these obvious issues. We will bring our beneficiary-informed knowledge of these problems and their impacts to policymakers in Congress and the administration.

### ***Site Neutrality and Transparency***

Ensuring that people with Medicare and the program itself are not [overpaying for care](#) is another area of potential bipartisan action. In 2024, Congress nearly passed a reform that would regularize some Medicare payments, but

the [effort fell just short](#). Medicare Rights will continue to support these efforts alongside our valued partners.

**The Board of Directors of NYSARA wish you, the membership, the Happiest of New Year's and best wishes for our collective resolution that government prioritize older adults and safeguard and expand current programs that support aging with dignity.**

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### **January 1, 2025 a Very Important Date for Seniors**

January 1st is a very important date for seniors for two very important reasons. First the Social Security Cost of living kicks in. Second, under the Inflation Reduction Act, passed under the Biden Administration, several very important benefits for seniors kick in as of January 1st.

### **Cost-of-Living Adjustment (COLA) Information for 2025**

Social Security and Supplemental Security Income (SSI) benefits for more than 72.5 million Americans will increase 2.5 percent in 2025.

The 2.5 percent cost-of-living adjustment (COLA) will begin with benefits payable to nearly 68 million Social Security beneficiaries in January 2025. Increased payments to nearly 7.5 million SSI recipients will begin on December 31, 2024. (Note: some people receive both Social Security and SSI benefits)

Read more about the [Social Security Cost-of-Living adjustment for 2025](#).

The maximum amount of earnings subject to the Social Security tax (taxable maximum) will increase to \$176,100.

The earnings limit for workers who are younger than "full" retirement age (see [Full Retirement Age Chart](#)) will increase to \$23,400. (We deduct \$1 from benefits for each \$2 earned over \$23,400.)

The earnings limit for people reaching their "full" retirement age in 2025 will increase to \$62,160. (We deduct \$1 from benefits for each \$3 earned over \$62,160 until the month the worker turns "full" retirement age.)

There is no limit on earnings for workers who are "full" retirement age or older for the entire year.

The Inflation Reduction Act (IRA) has several provisions that will take effect in 2025, including:

- **Tax credits:** The IRA will replace the traditional Production Tax Credit (PTC) and Investment Tax Credit (ITC) with the Clean Energy Production Tax Credit and the Clean Electricity Investment Tax Credit, respectively. These credits apply to all generation facilities with zero greenhouse gas emissions.
- **Medicare Part D:** The IRA will limit out-of-pocket prescription drug costs to \$2,000 per year. It will also expand the low-income subsidy program to 150% of the federal poverty level.

- **Medicare drug price negotiation:** Medicare will be able to negotiate with drug manufacturers to lower the price of some brand-name drugs.
- **Medicare Part B:** The IRA will improve access to biosimilars and limit the cost-sharing cap for insulin to \$35 per month.
- **Tax inflation adjustments:** The exemption amount for unmarried individuals will increase to \$88,100, and \$137,000 for married couples filing jointly.

## **GOP Lawmakers Prepare to Slash Social Security and Medicare**

A growing number of Republican lawmakers are openly calling for Congress to cut earned Social Security and Medicare benefits in 2025.

Earlier this month, Rep. **Rich McCormick** (GA) [warned](#) that cuts are on the way, saying that his party will have to make some "hard decisions" about Social Security, Medicare, and Medicaid. Sen. **Mike Lee** (UT) [doubled down](#) on his previous calls to dismantle Social Security in a thread on X, which close Trump advisor **Elon Musk** promptly retweeted.

**Musk** and his allies have made it clear that nothing is off limits when it comes to Donald Trump's Department of Government Efficiency (DOGE) commission, which is leading the charge for cuts. Rep. **Ralph Norman** (OK) [told reporters](#) that "nothing is sacrosanct" and Rep. [Mark Alford](#) (MO) said the GOP will have to "take a look" at Social Security and Medicare. Outside the DOGE Caucus' first meeting last week, Rep. **Greg Lopez** (CO) was even more direct, [admitting that](#) they are "on the table."

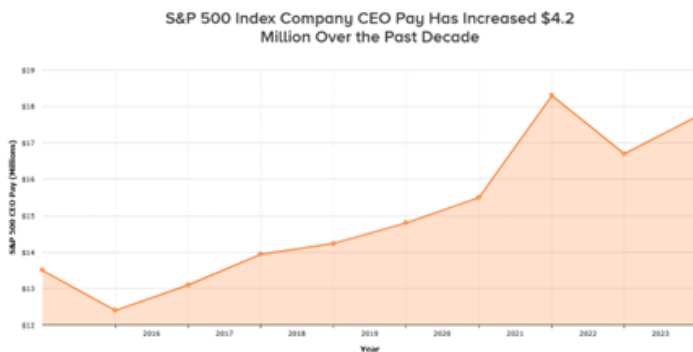
When presented with a copy of a Donald Trump campaign mailer promising not to cut essential earned benefits, Rep. **Marjorie Taylor Greene** (GA) threw it on the floor and [refused](#) to make the same promise. Outgoing Republican Governor **Chris Sununu** (NH) [said](#) that DOGE's ultimate goal should be to privatize Social Security.

"We should be angered but not surprised that cutting earned benefits has emerged as a top priority for Republicans, despite their campaign promises. Alliance members have successfully defeated past threats to Social Security and Medicare and we're ready to do it again," said Alliance Executive Director **Richard Fiesta**. "The vast majority of Americans want to strengthen Social Security and Medicare by asking the wealthiest Americans to pay their fair share into the system. It's our job to make sure Congress and Donald Trump understand that they will pay a price for raising the retirement age or slashing benefits."



## Executive Pay Continues to Skyrocket While Wages Remain Stagnant

CEOs made an average of \$17.7 million in total compensation last year, according to the [AFL-CIO's latest "Executive Paywatch" report](#).



Executive compensation has continued to rise steadily since 2016, increasing by 6% between 2022 and 2023. The gap between CEO and worker pay [narrowed slightly](#), with CEOs making 268 times more than the average worker compared to 272 times more in 2022.

Meanwhile, employee wages have increased slightly, but the rate of these gains has declined, going from a 7% increase in March 2022 to a mere 3.9% increase in November 2024. Workers also [have less of a share in corporate income](#) than they used to, going from a nearly 80% share of corporate income in 2020 to a 71% share as of July 2024.

“The fact that the gap between worker pay and executive pay continues to increase at such breakneck speed is deeply

concerning. It fuels inequality and negatively impacts retirement security," said Alliance President **Robert Roach, Jr.** "Ensuring that workers can form or join a union is the best way to address these issues, and why the Alliance will always stand with organized labor."

## **Biden Plan to Increase Nursing Home Safety and Staffing Levels in Danger**

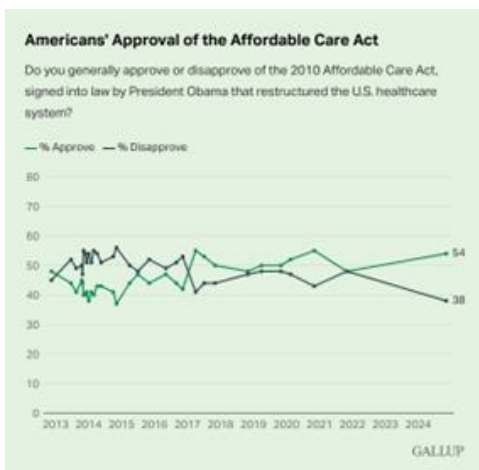
President-elect Donald Trump and Republicans are [pushing hard to overturn](#) the Biden administration's nursing home staffing mandate before it can take effect. Twenty Republican state Attorneys General [joined forces](#) with the nursing home industry's lobbying groups, filing legal challenges in an attempt to quash the rule.

GOP lawmakers in both chambers immediately offered joint resolutions to rescind the mandate once it was finalized. Most recently, House Republicans even tried to use the must-pass legislation to fund the government as a backdoor for repeal, [sending a proposal](#) to include it in a package of health care policies added to the continuing resolution.

The rules state that nursing homes will be required to have a registered nurse on site 24 hours a day and make sure every resident has at least 3.48 hours of nursing care a day. Urban facilities will need to meet staffing requirements in 2027 and rural facilities will need to fulfill staffing obligations in 2029.

## Majority of Americans Have Positive Views of the Affordable Care Act, Medicare

Support for the Affordable Care Act has reached its highest level in more than ten years, with 62% of Americans saying they approve of the law, according to a [recent poll from Gallup](#). Approval rates increased for all political affiliations, with Republicans' approval rating increasing nearly 10% since 2021. Americans also have a positive view of Medicare. Nearly 90% of enrollees [reported satisfaction with their coverage](#) in a survey conducted earlier this year.



This contrasts starkly with Americans' level of satisfaction with private insurance coverage and quality, which has [declined significantly](#) since 2001. Only 44% of U.S. adults rate the quality of healthcare as either good or excellent, with 54% saying it is either fair or poor.

Respondents reported decreased levels of satisfaction with the health system regardless of their political affiliation.

Americans rating private insurance and the Affordable Care Act identified healthcare cost and access as the top urgent health issues currently facing the nation. Those rating Medicare coverage said the reduction or elimination of benefits in the future was particularly concerning to them.

### **Authorities Highlight Potential Scams Targeting Older Americans this Holiday Season**

As older Americans celebrate the holidays, federal authorities are [warning](#) about potential fraudsters. The number of older Americans reporting losses of more than \$100,000 to scams [has tripled](#) since 2020, according to data from the Federal Trade Commission.

The advent of artificial intelligence (AI) has [exacerbated](#) the risk, particularly the "Grandparent Scam" in which fraudsters pose as a victim's grandchild using AI voice cloning technology. They pretend to be in trouble and ask the victim to send money. Experts recommend that seniors and their loved ones use a code word known only to them that can be used to verify each others' identities and shut down potential scammers.

There are other steps that older Americans and their loved ones can take to shut down scammers. Eldercare Locator [released a guide](#) with resources and relevant contact information as part of their "Home for the Holidays" 2024 campaign.

## **KFF Health News: A Centenarian Thrives Living Alone, Active and Engaged**

"The future is here," the email announced. Hilda Jaffe, then 88, was letting her children know she planned to sell the family home in Verona, New Jersey. She'd decided to begin life anew — on her own — in a one-bedroom apartment in Hell's Kitchen in Manhattan.

Fourteen years later, Jaffe, now 102, still lives alone — just a few blocks away from the frenetic flashing lights and crowds that course through Times Square.

She's the rarest of seniors: a centenarian who is sharp as a tack, who carries grocery bags in each hand when she walks back from her local market, and who takes city buses to see her physicians or attend a matinee at the Metropolitan Opera.

Jaffe cleans her own house, does her own laundry, manages her own finances, and stays in touch with a far-flung network of family and friends via email, WhatsApp, and Zoom. Her son, Richard Jaffe, 78, lives in San Jose, California. Her daughter, Barbara Vendrigger, 75, lives in Tel Aviv.

She's an extraordinary example of an older adult living by herself and thriving.

